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ABSTRACT

The inadequate financing of public school facilities under the maximum class size requirements in Texas public education raises issues of quality and equity. In six chapters, this thesis attempts to examine the costs of facilities needs and to evaluate the options available to state and to local school districts. Chapter 1 states the problem and the background of the problem, which includes but is not limited to teacher shortages, inadequate facilities, and insufficient funding to exact compliance with Texas' legislative requirements. Chapter 2 provides a recent history of school financing in Texas. It outlines the major changes that have occurred since the Gilmer-Aiken bills of the late 1940s through the reforms of House Bill 72 in 1984. Chapter 3 looks more closely at the effects of the provisions of the bill dealing with maximum class size. This chapter also examines some of the arguments advanced in the literature concerning the effects of reduced class size on student achievement. Chapter 4 examines current methods of financing school facilities in Texas and discusses the financial effects of reductions in class size for local school districts. Chapters 5 and 6 outline school facilities financing in other states and present options for Texas in dealing with the school facilities problems precipitated by the maximum class size requirement of House Bill 72. The conclusion is that the current law provides no flexibility for districts to design educationally sound options other than furnishing additional classrooms or to meet the requirement of lower pupil-teacher ratios in the early grades by means other than providing for additional classrooms. This conclusion raises serious questions about the law's effect on improving equity in educational opportunity and outcomes. (JAM)

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FINANCING PUBLIC SCHOOL FACILITIES UNDER THE MAXIMUM CLASS SIZE REQUIREMENTS IN TEXAS

by

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REPORT

Presented to the Faculty of the Graduate School of

The University of Texas at Austin

in Partial Fulfillment

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MASTER OF PUBLIC AFFAIRS

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TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)."

To My Parents

Your love and support have made
everything possible.

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CHAPTER ONE

Introduction

Perhaps more than any other issue, education has dominated political debate in Texas for most of this decade. Much of this debate has concerned quality and equality in public education. The question of what constitutes equal educational opportunity has been a prominent public policy issue for the past several decades. Defining equal educational opportunity has been a major stumbling block for the proponents of education reform, as there are competing concepts of what constitutes an equal opportunity. On the positive side, there are issues of equality and equity. These are proactive issues, concerned with providing greater opportunities for children. On the negative side, there are issues of non-discrimination. These are reactive measures, providing only that children not be treated differently. Although the two approaches may seem synonomous, they are in fact quite different.

On the positive side, one must ask what an equal education or equality of educational

opportunity consists of? Does it mean equal outcome or achievement? Equal access to educational resources? Or does it mean equal expenditures, or equalized purchasing power per student?

Different students have different educational needs, talents, and learning capacities. Therefore, it is incorrect to assume either that all students should be treated in exactly the same way, or that all will achieve equal results. If an equal educational opportunity cannot be defined in terms of equal treatment or equal results, then how can it be defined? Perhaps an equal educational opportunity involves equal access to an education. At first this appears to be a more tractable notion than those mentioned above. However, it is complicated by the definition of access. How access is defined, and what is accessed, directly affects what equality of opportunity means.

There are several ways of defining access to educational opportunity. It can be defined as relative equity in the availability of educational resources.[1] This relative equity can apply either to groups or to individuals. The most severe form of inequality comes when a child, or a group of

children, is denied access to any educational resources, and therefore has no opportunity.

The Supreme Court addressed this issue of relative equity for a group or class in Plyler v. Doe.[2] The issue at hand involved children of illegal aliens who were denied a free public education by the state of Texas. Texas argued that, because of their illegal status, these children were not entitled to a free education. The Supreme Court disagreed, and found the complete denial of access to an education unconstitutional under the Equal Protection Clause of the Fourteenth Amendment. The justices reached this conclusion on the basis that a complete denial of educational opportunity "imposes a lifetime hardship on a discrete class of children not accountable for their disabling status."[3]

The Court has not, however, gone so far as to say that a child be provided with individualized services; it requires only that there is relative equity in the resources that are provided. This also means that if a child has special needs, speaks a foreign language, or has a handicap, that he be provided the necessary special services to enable him to have meaningful access to an education. In these

instances, the concept of relative equity applies to individuals, as it did in the case of Amy Rowley.

The question before the Court in Board of Education v. Rowley[4] also involved relative equity of educational opportunity. In this instance, the concern was not for a group, but for an individual. The Rowleys requested that the school provide a sign language interpreter for their deaf daughter, Amy, despite the fact that Amy was achieving well without this assistance. The school district denied the Rowley's request, and in this case the Court found in favor of the district. The Court's decision looked to the spirit of the law, the Education For All Handicapped Children Act of 1975. It found that requiring the state to provide every handicapped child with the services necessary to maximize his potential would be unworkable, and far beyond the concept of relative equity embodied in the law.

A second type of equal opportunity is equity in terms of dollars spent. Despite the tendency to do so, there is a danger in equating dollars spent with educational quality. Not only are expenditures not always an accurate indicator of the

level of educational quality, but how and for what those dollars are spent can be as important as the amount of the outlay itself.

For the most part, questions involving equal educational opportunity and wealth have focused on the unequal distributions of taxable resources, and the subsequent argument that a child's education should not be a function of the tax base of the area in which he lives. This notion, that access to a "quality" education should not be a function of local property wealth, has become a central issue in questions pertaining to school finance.

These questions involve both affirmative and negative concepts of equity. The positive, or affirmative notion grants that if dollars are a measure of the quality of an education, then equal educational opportunity entitles all children to equal educational expenditures. However, if the equity test requires only that the quality of a child's education is not to be a function of local wealth, then the test is one of non-discrimination, and unequal expenditures do not necessarily constitute inequalities in education.

During the 1960s these concerns for quality and equality in education became increasingly important political issues. Improving the quality of public education for poor children was central to President Johnson's War on Poverty and his concept of a Great Society. By the early 1970s questions involving equality of educational opportunity were making their appearance in the judicial arena. In Texas, as in other parts of the country, issues involving access and quality in public education moved to the forefront of public debate.

This on-going discussion culminated in the summer of 1984, with a special session of the Texas legislature, and the passage of House Bill 72. This piece of legislation had two major objectives: to move the state towards more equalized educational inputs, and to improve the low quality outputs of the state's educational system. The move towards improved outputs began in 1981 with House Bill 246 which was directed at improving the public school curriculum.[5] In 1984 House Bill 72 went even further in an effort to link increased equity and better educational achievement. These two pieces of

legislation affected nearly every aspect of public education in Texas.

In dealing with both the quality and equality issues, the Texas legislature sought to provide students with better education through smaller classes. A provision of House Bill 72 placed a cap on the size of kindergarten through fourth grade classes. Often referred to as the "twenty-two to one" requirement, the maximum class size law stipulates that beginning with the 1985-1986 school year for kindergarten, first and second grades, and with the 1988-1989 school year for third and fourth grades, no class shall be larger than twenty-two students.[6]

As a result of this requirement, some school districts have experienced shortages of teachers, and many more have encountered a lack of available facilities. The legislature, anticipating that some districts would have trouble initially meeting this requirement, included a waiver provision in the law. This provision allows districts to maintain their accreditation despite the fact that they have elementary classes with more than twenty-

two students provided that: (1) the district can show that it is working to correct the problem by hiring additional teachers or acquiring additional classroom space; and (2) the problem will be corrected within three years of the initial application for a waiver.

During the first year this requirement was in effect, nearly one-fourth (256 out of 1,063) of all school districts were granted a waiver for 22:1 due to a lack of facilities. This report is concerned with the problems and facilities shortages facing many school districts as a result of the maximum class size requirement.

As a consequence, the cost of providing school facilities to meet the requirements of new legislation has been a subject of interest and study for a variety of organizations. The Accountable Costs Advisory Committee and the Texas Education Agency addressed school facilities in their report issued in the fall of 1986.[7] At the same time, the Public Utilities Commission conducted a survey of school districts in an effort to ascertain how many districts were undertaking construction projects in response to recent legislation.[8] A study of the adequacy of school facilities and the cost of school

facilities needs was also conducted and recently released by the Center for Policy Studies at East Texas State University.[9]

Much of the impetus for these studies comes from the fact that providing for the construction of school facilities has always been a local responsibility in Texas, and it remains so today. Although the state has imposed new requirements on local districts which affect school facilities, no provision has been made for the allocation of state funds to local districts. Currently, districts are spending $400 million per year to build new school facilities.[10] If additional facilities are needed to meet the requirements of 22:1, the amount will surely increase.

The problems of equal educational opportunity are usually discussed in terms of current expenditures, but with the maximum class size requirement, House Bill 72 has raised the question of future expenditures for capital outlay. In considering the issues related to the maximum class size requirement, this report will examine briefly the effects of reduced class size on student achievement, and concentrate on the the increased

capital costs and financing alternatives associated with the new requirement.

It would appear that the legislature did not fully consider the cost impact, in terms of facilities, when it chose to limit elementary classes to twenty-two students. Many of the districts affected by the new requirement are small districts, needing only one or two classrooms. For these districts, the cost of acquiring new facilities to meet these requirements may be enormous, especially when measured against other possible uses of funds. For many districts, including these small ones, the tax supported debt service costs required to construct additional classrooms may be so great that local bond issues for this purpose will be rejected by voters who are faced with ever-increasing local property taxes.

The current law takes no account of the problems that many districts will face in meeting the new class size requirements. Furthermore, it provides no flexibility in designing educationally sound options to meet the requirements for smaller classes in the early grades. Some measure of

flexibility in the delivery of services to students might be considered if districts are to bear the entire cost of implementation. If the state insists on a maximum class size of twenty-two in the early grades, then some provision must be made to assist those districts struggling with facilities needs.

The purpose of this study is to examine the costs of meeting those needs and to evaluate the options available both to the state and to local school districts. Chapter Two provides a recent history of school financing in Texas. It outlines the major changes which have occurred since the Gilmer-Aiken bills of the late 1940s through the reforms of House Bill 72 in 1984. Chapter Three looks more closely at the effects of the provisions of the bill dealing with maximum class size. This chapter also examines some of the arguments advanced in the educational literature concerning the effects of reduced class size on student achievement. Chapter Four examines how school facilities are currently financed in Texas, and discusses the financial effects of reductions in class size for local school districts. Chapters Five and Six outline school facilities financing in other states,

and present options for Texas in dealing with the school facilities problems precipitated by the maximum class size requirement of House Bill 72.

CHAPTER ONE
NOTES

1. Mark G. Yudof, "Equal Educational Opportunity and the Courts." Texas Law Review, vol 51 (1973), p. 411.

2. Plyler v. Doe, 102 S. Ct. 2383 (United States Supreme Court, 1982).

3. Ibid.

4. Board of Education v. Rowley, 102 S. Ct. 3034 (United States Supreme Court, 1982).

5. Texas Legislature, 66th Regular Session, 1981.

6. TEXAS EDUCATION CODE, Section 16.054 (West, 1986).

7. Texas Education Agency, The 1985-1986 Accountable Costs Study and Recommendations of the Accountable Costs Advisory Committee to the State Board of Education, (Austin, October 1986).

8. Public Utilities Commission.

9. Frank Lutz, et al, School Facilities Costs Study, Center for Policy Studies, East Texas State University, (1986).

10. Texas Education Agency, 1984-1985 Audit File.

CHAPTER TWO

Recent History of Texas School Finance

Article 7, section 1 of the Texas Constitution of 1876 states "A general diffusion of knowledge being essential to the preservation of the liberties and rights of the people, it shall be the duty of the Legislature of the State to establish and make suitable provision for the support and maintenance of an efficient system of free public schools." The system that the state provided for in its early history left the maintenance and administration of public education largely to local school districts. Although some funds were provided by the state from the revenue derived from public lands, most of the support for public education came from local property taxes.

There has been significant interest in the finance of public education for most of the twentieth century. In 1905, Ellwood Cubberley asserted that states should provide aid to local school districts, and this aid should be distributed on the basis of both effort and need.[1] From this basic assertion that states should provide financial aid to local

school districts so that children will be provided with educational opportunities, a variety of approaches to state aid and equalization in school finance have arisen.

Funding for education in Texas comes from both state and local sources. Local funding is derived from taxes on district property wealth. Funds provided by the state are from biennial legislative appropriations and the Permanent and Available School Funds. The Permanent School Fund constitutes a "perpetual endowment for the free public schools of Texas."[2] The fund consists of land and properties appropriated for the public schools, and the proceeds from the sale of land or property, as well as all investments and mineral rights associated with those properties. The Available School Fund consists of all interest, dividends and rents collected on Permanent School Fund investments and land. While the Permanent School Fund remains intact, the Available School Fund is apportioned annually to all school districts on the basis of enrollment. Even if a district receives no other state aid, it is entitled to receive an Available School Fund payment for each student enrolled.[3]

In the first half of the twentieth century, funding for education was far more dependent on local funds than on state monies. The amount of money spent for education was almost entirely a function of district wealth. As a result, enormous discrepancies existed between the levels of education being provided across the state.

Gilmer-Aiken Minimum Foundation Program

The movement toward equalization began in Texas in the middle 1940s. In 1947 the 50th Texas Legislature created the Gilmer-Aiken committee to examine the current system of public education and make recommedatons to the governor. The existence of this committee led to the passage in 1949 of the Gilmer-Aiken Bills. Collectively, Senate Bills 115, 116 and 117[4] provided for a reorganization of the state education administration, the establishment of the Minimum Foundation Program, and the creation of funding formulas for allocating those funds.

The Gilmer-Aiken Act proposed a new approach to school finance. This approach was based on "a beguilingly simple premise: every school age child should receive a minimal educational

opportunity to be financed by an equalized tax effort among school districts."[5] While the Gilmer-Aiken plan did not equalize spending on public education, it did provide significant aid to many ailing school districts.

The Gilmer-Aiken financing formulas extended benefits to all districts with an average daily attendance of more than fifteen students. The purpose of the bill was not to provide total state support for public education, but to provide a minimum program. However, school districts were required to provide a required minimum of education and to tax at a minimum rate in order to qualify for state assistance. Overall, local districts were to pay 25 percent of the total cost of the Foundation Program for the state as whole. Localities were free to set tax rates and spend as they saw fit in accordance with their tastes and ability and willingness to pay.

Senate Bills 115 and 117[6] were chiefly administrative in nature and provided for the reorganization of state education administration and creation of a mechanism to make the state financing of education less cumbersome for the Legislature.

Senate Bill 116 formed the heart of the Gilmer-Aiken Bills. This bill created the Minimum Foundation Program (MFP) in an attempt to establish a more equal educational opportunity for Texas children. It also provided for the consolidation of many small districts, and created a statewide minimum salary scale for teachers.

The MFP in Gilmer-Aiken followed the basic model for foundation programs. Generally under such a program, the state establishes a dollar level of spending per pupil (the foundation) which it guarantees to every district. To qualify for the guarantee a district must tax at a certain minimum property rate. To preserve local autonomy and local incentive, districts are permitted to tax at a rate higher than the minimum if they desire additional funds.

There were a variety of funding formulas contained in the Minimum Foundation Program. The basic foundation grant to school districts for operating expenses ranged from $350 to $400 per pupil. Formulas were also created to augment this grant on the basis of transportation costs, district size and the numbers and needs of students. Because

students differ in their needs, the costs of serving students differ. One way to accommodate these differences in through the use of "weighted pupils." Weights can be used to compensate for variations in district size and population, students with special educational needs, transportation costs, and the like. Weights were not used in the allocation of funds under the Gilmer-Aiken plan, but they are used today to compensate school districts for the costs of delivering a variety of educational services.

SB 116[7] also established formulas for determining the amount of money to be raised by each district to pay for its share of the program. These formulas were based on assumptions that poor districts should pay a smaller share of educational costs than wealthier districts. Determinations of the local district share were made on the basis of an economic index which included assessed valuation of property in the county, the county scholastic population, and county income as a function of manufacturing and production. The law also provided that this index be recomputed every four years.

The Gilmer-Aiken Bills, especially SB 116, represented a state commitment to providing what

legislators perceived to be a necessary **minimum** of educational opportunity to all children in the state. This program took into account the ability of school districts to provide this minimum through a guarantee program. The program did not guarantee every child an equal education. In fact, by leaving the maximum level of spending up to the individual districts, the Foundation Program encouraged wide variations in spending. The notion that districts should have the option to spend more on education was central to the prevailing idea of local control. Because of the wide variations in property value, it was possible for a wealthy district to raise as much or more in taxes at the minimum rate than a poorer district was able to raise at a higher rate. Thus, the MFP did provide for a minimum level of spending, but it did not provide for an equal educational opportunity or equality of tax burdens.

This is the objection to foundation programs voiced by Coons, Clune and Sugarman in their book Private Wealth and Public Education. If an average or "key" district is used to set the foundation, then all districts richer than the "key" can exploit their wealth. Furthermore, beyond the

foundation tax level there is no equalization for any district. "Thus we may say that choice of the average [even if it is hypothetical] district as "key" does not even ameliorate the problem of wealth variations--except as to the lower half of the districts, and then only up to the minimum participation rate."[8]

By the mid-1960s the Gilmer-Aiken Act had been amended and revised many times, and there was political pressure for the Legislature to do something more. In 1965 Governor Connally appointed a special Committee on Public School Education to serve as a long-range planning body. This was the first in a series of special and select committees on public education in Texas. This committee was charged with the task of creating a long-range plan for education in Texas. The plan offered by the Committee called for the expansion of existing programs as well as the addition of new ones.

The Governor's Committee recommended that a Basic Foundation Program be established to expand educational opportunities and equalize educational quality. The Committee also recommended the enactment of a finance plan to equalize responsibilty

and effort in providing for public education. To do this the Committee proposed changes in the calculation of foundation program costs and local fund assignments.[9]

Like similar groups working in this time period, the Governor's Committee made recommendations concerning the redistribution of school resources. The Committee suggested the consolidation of very small school districts, the strengthening and expansion of the Minimum Foundation Program, and called for a more accountable and responsible State Board. Despite their efforts, the report resulted in few changes. Only three of the recommendations contained in the report ever became law. These were a state-financed kindergarten program, a $400 bonus for vocational instructors, and a higher teacher salary scale. This relative inaction can be largely attributed to the fact that the report was not published until 1968, and by then Governor Connally was no longer in office.

These proposals were developed at a time when the definition of equal educational opportunity was changing. There was concern not only with "equality of access to school services and dollars,

but also with schooling outcomes, the societal and individual benefits derived from particular resource mixes."[10] There was concern for education at all levels of government, and this was evidenced by the passage of Title I of the Elementary and Secondary Education Act in 1965 which provided federal aid for education to low income students.

Equalization Reform--The Rodriguez Case

In 1968 Mr. Rodriguez filed suit against the San Antonio Independent School District charging that the system of state education finance under the current foundation program violated his federal consitutional rights. Parents of children in the Edgewood Independent School District, a part of the San Antonio metropolitan area, challenged the validity of the Texas system of school finance under the Equal Protection Clause of the Fourteenth Amendment of the U. S. Constitution. The plaintiffs attacked the constitutionality of the distribution of resources in a state educational system in which substantial funding is based on a local property tax. They charged that the ad valorem tax system "assumes that the value of property within the various

districts will be sufficiently equal to sustain comparable expenditures from one district to another."[11] Finally, the plaintiffs contended that reliance on local property wealth makes the quality of a child's education a function of the local property tax base.

At the time of Rodriguez, poor districts in Texas had higher tax efforts and lower revenues than wealthier districts which were raising more revenue with lower tax rates. This lead the plaintiffs to argue that the quality of education (measured in number of dollars spent) was lower in districts where tax effort was high.[12]

They argued further that the effect of the financing system for public education under the Minimum Foundation Program was not equitable, nor did it assure a minimum educational program. Under the Foundation Program the tax base of the school district determined the amount of educational dollars received per child.[13] Thus, an inverse relationship existed between effort and ability for a district to provide high quality education for their children.

This argument, which followed closely the one advanced in a 1973 California state case, Seranno

v. Priest,[14] underlies the concept of power equalizing found in Public Wealth and Private Education. Recalling their objections to the lack of equalization under a foundation program, Coons, et. al. offer power equalizing as one of several alternative means of financing public education. Their discussion begins with a definition: "for a system of local public school finance to be free of wealth determinants if must be fully equalizing of the power to raise educational dollars."[15]

This system of school finance, known as power equalizing, or district power equalizing, consists of matching grants from the state to local school districts. Under this system, the size of the matching rate is inversely related to district property wealth. Characteristically, power equalizing schemes give poor districts greater incentives to increase their tax revenues, as well as giving them more funds. A power equalizing scheme has two major implications for school districts. First, wealth is no longer the largest determining factor in district spending. Second, districts should be free, through the taxing mechanism, to choose to share various amounts of state's wealth by

deciding how hard they are willing to tax themselves. Thus, a power equalizing system of state aid is one that leaves school districts free to select the levels of spending for education through the taxing mechanism. The more a district is willing to tax, the more it will have to spend on education, regardless of district wealth.[16]

Using total available financial resources for education as the basis for state funding, power equalizing makes dollars per student solely the function of local effort in that the more a district is willing to tax itself, the more funding it will receive from the state. For example, under power equalizing all districts would be told by the legislature that state aid would be set such that their property tax rate will determine the number of educational dollars they can spend. If poor districts tax at a lower rate because voters do not value education as highly as other public or private goods, then those districts will receive fewer dollars to spend on education.[17] Poorer districts may still have fewer dollars for education, but available funds have been made a function of effort,

not of district wealth. This is the essence of power equalizing.

Using arguments based on fiscal neutrality, Mr. Rodriguez and the plaintiffs sought to have the system of school finance declared unconstitutional, thus forcing the legislature to act. The outcome of the Federal District Court case favored the plaintiffs. Referring to a passage from Brown v. Board of Education and noting the great significance of education both to the individual and to our society, the lower court held that the defendants "must demonstrate a compelling state interest that is promoted by the current [wealth] classifications created under the financing scheme."[18] The Court went on to acknowledge that the parents of these children did not ask the state to equalize all expenditures for children in Texas schools; they simply requested that school district wealth not be a determining factor in the quality of education their children receive. The principle that the parents asked to have applied was that of "fiscal neutrality", which dictates that "the quality of public education may not be a function of wealth, other than the wealth of the state as a whole."[19]

In its decision, the District Court found that Texas did not have a compelling state interest in failing to apply this principle to its system of school finance. The decision stated that "the current (1971) system of financing of public education in Texas discriminates on the basis of wealth by permitting citizens of affluent districts to provide a higher quality of education for their children, while paying lower taxes." The Court also concluded "as a matter of law, that the plaintiffs have been denied equal protection of the laws under the Fourteenth Amendment."[20]

Unlike the lower court, the Supreme Court was unwilling to accept the fiscal inequality argument in order to overturn the Texas system. While agreeing that the system of public school finance in Texas was plagued with discrepancies and inequalities, it did not find the system in violation of the Equal Protection Clause of the Fourteenth Amendment.

An argument offered by the plaintiffs, but not dealt with by the Court in this case as it was later in Plyler, concerns children as a suspect class. The plaintiffs argued that because children

are excluded from participation in the political process they consititute a suspect class, and are therefore entitled to the protection of the Court. Using this argument, even a standard of fiscal neutrality or a power equalizing scheme would violate the rights of students because these schemes are based on the preferences of parents and not the affected children.

There is a certain irony in the Court's decision in Rodriguez, and it is illustrated by the events of the decade that followed the case. Both the State Board of Education and the Legislature were were relieved of the necessity of making a decision about equalization when the Supreme Court reversed in Rodriguez. Despite the ruling, attention was focused on the issue of equality in education, and following the decision, political pressure for improvements in the Texas system forced the Legislature to act.

Arguably, educational reform would have been expedited if there had been a Supreme Court mandate. Although the judicial pressure did not exist, political pressure did. In addition to the actions taken by the legislature, the actions of those in the business of administering education took

a turn. Many of the individuals who had been defendants in the Rodriguez case became strong advocates of reform in the period that followed.

Educational Reform After Rodriguez

The 1970s saw a flurry of education reform legislation. In 1975 the 64th Legislature passed House Bill 1126. This piece of legislation renamed the Minimum Foundation Program, calling it the Foundation School Program (FSP), and added specific provisions for equalization aid. The new law changed the basis of allocation, which had previously been in classroom-teacher units (CTU's) to a more comprehensive measure of personnel units (PU's) and substituted market-based, equalized property values for the economic index in determining local fund assignments.

In its opening section, H.B. 1126 stated "it is the policy of this state that each student enrolled in the public school system shall have access to programs and services that are appropriate to his educational needs and that are substantially equal to those available to any similar student

notwithstanding local economic factors."[21] The rhetoric of this piece of legislation differs greatly from that in the Gilmer-Aiken bills. The purpose of the changes made under the new Foundation School Program was to guarantee that all school districts in Texas had adequate resources to provide "each eligible student a basic instructional program suitable to his educational needs."[22] This is clearly a greater state commitment to education than was made in the 1940s under Gilmer-Aiken.

State financing under the new program was extended to a variety of educational expenses. Under the FSP a school district could receive state financial aid for minimum personnel salaries, current operating expenses, categorical program aid (such as funds for special and compendatory education) and transportation services.[23] Total expenses were covered by state and local funds. The amount of state aid received by a district was based on both the total property wealth of the state and the district's ability to pay. Foundation School Funds were allocated according to a state-local share. The approach to funding adopted in 1949 remains as the

basic model for state aid today. State support to districts can be expressed in the form:[24]

$$Si = PiF - rVi$$

Where:
- Si = State aid to the ith district;
- Pi = Pupils in average daily attendance (ADA) and full-time equivalent (FTE) weighted for costs in the ith district;
- F = Foundation program dollar value per ADA and weighted FTE;
- r = Rate mandated as a local share (percentage of district wealth to state wealth x statewide local share);
- Vi = Equalized value of property wealth in the ith district.

The local share, or local fund assignment (LFA) is calculated on the basis of local property wealth relative to total taxable property wealth in the state. The local fund assignment can be expressed as:[25]

$$LFA = DPV/SPV \times (N \times FSP)$$

Where:
- LFA = Local Fund Assignment;
- DPV = District property value as determined by the State Property Tax Board (SPTB);
- SPV = State property tax value as determined by the SPTB;
- N = Percentage of the FSP to be divided among all districts as a local share (.333 in 1985-1986 and thereafter);
- FSP = Foundation School Program total cost, exclusive of Experienced Teacher Allotments and Enrichment Equalization Aid.

The total cost of the FSP is the sum of all of the above mentioned costs. The program was financed chiefly through general revenues, and additional funds were provided by a state ad valorem tax and state and local available school funds. Any district's share of its guaranteed entitlement under the FSP was determined by multiplying the total taxable property wealth in the district by an index rate. School districts were not required to raise the total local share of the program costs, nor was that share fixed. The Commissioner of Education made yearly recommendations as to the the distribution of funds based on the cost of operating a Foundation School Program in each district. Those school districts with less taxable property wealth received more state aid as a percentage of the FSP total cost than did districts with greater property wealth.

Need was not the only basis for fund allocation under the FSP. Funds were allocated on the basis of effort as well. H.B. 1126 provided equalization aid for program enrichment to those districts which raised local funds in excess of their local fund assignment--the amount of the program that the district was required to support. Only those

districts whose local fund assignment per student in average daily attendance (ADA) was less than 125 percent of total statewide local fund assignment per ADA were eligible. This provision was an attempt to provide lower wealth districts with additional resources to enhance their educational programs.

During the 65th Legislative Session in 1979, Senate Bill 1 represented a further effort at equalization. SB 1 increased the state share of the Foundation School Program from 75 percent to 85 percent, decreasing by 10 percent the amount of the program that districts had to support.

The 1980s continued to be a period of self examination and reform for education in Texas, and the nation as a whole. In November of 1982 the first Select Committee on Public Education produced a series of reports on the Texas education system. These reports included recommendations for changes in the state's financing structure well as recommendations for further study.

An outgrowth of this first report was the Guarantee Program for School District Bonds,[26] which is discussed further in Chapter 4. According to Fredric Weber and his collegues, "the overriding goal

of public finance law should be to enable each local government to minimize the cost of financing its public improvements and to maximize its return from investing public funds."[27] This is the goal of the Bond Guarantee Program. By guaranteeing the bonds of low income school districts, and thus enabling them to receive a triple-A bond rating, the state effectively equalizes the cost of money for all school districts in the state. Although the state did not provide any additional funds, it lowered the cost of acquiring additional funds for many low wealth school districts.

In 1983 a second Select Committee, chaired and financially supported by H. Ross Perot of Dallas, issued additional reports. The Committee, composed of legislators, administrators, state officials and educators from the public schools and institutions of higher learning, brought together a group of individuals as large and diverse as the concerns they sought to address. The reports of the Committee, which called for a more equalized school finance structure, more emphasis on education in the early grades, and more educational accountability, combined with legislative efforts of the last decade to form

the basis for House Bill 72, the comprehensive education reform package enacted by a special session of the Texas Legislature in 1984.[28]

House Bill 72

In House Bill 72, the members of the Texas House and Senate passed one of the most sweeping education reform bills this country had ever seen. One of its main objectives was to further equalize spending and reduce discrepancies between rich and poor districts in Texas. Two of the main provisions for equalization were the changes in the state-local share under the Foundation School Program that had previously been enacted in HB 1126.

The major components of House Bill 72 included a move from a personnel-based to a student-based distribution unit for state funds, increased attention to accountability for both teachers and students, increases in the basic district allotment and adjustment to that allotment for district size, tax effort, and the cost of providing services.[29]

From the time of the Gilmer-Aiken bills in the 1940s until 1975, school districts were awarded funds on the basis of classroom teacher units (CTUs).

The number of CTUs in a given district was determined by the number of students enrolled. The system was rigid in its allocation of funds, and because it funded only a fraction of total salaries, many districts found it difficult to maintain an adequate staff. In 1975 a move was made to a somewhat more flexible personnel unit (PU) system, but many staffing problems related to funding remained.

In 1984, House Bill 72 moved the financing system from a personnel base to a weighted pupil base. While the state no longer paid teacher salaries directly, House Bill 72 did set a new minimum salary schedule which raised teacher salaries by as much as 37 percent.[30] House Bill 72 also established a career ladder for teachers. Progression up the career ladder was based on classroom performance, education and experience. As teachers moved up the ladder they were to be rewarded with merit raises.

House Bill 72 also increased the base amount districts receive from the state to deliver educational services. HB 72 established that districts would receive a basic allotment of $1,290 per ADA in the 1984-1985 school year, and beginning

with the 1985-1986 school year, the basic allotment per ADA was increased to $1,350. This amount can be augmented for small districts, those with less than 1,600 in average daily attendance and less than 300 square miles in total area, by the small district adjustment allotment. Adjustments in this allotment are made to provide additional aid to small and sparsely populated districts. A study conducted by the LBJ School of Public Affairs notes that "this adjustment is far from trivial."[31] Using a district with an ADA of 800 as an example, the district receives 20-32 percent in additional funds, with the higher amount for a sparsely populated small district. The equalization enrichment allotment provides additional monies for low wealth districts showing high tax effort, and the Price Differential Index (PDI) adjusts the basic allotment on the basis of local costs of providing educational services.

Efforts were also made to provide more resources for children with special needs. This was done by adjusting the basic allotment for children in bilingual, compensatory, special and vocational education programs. Adjustments are made on the basis of weights associated with the various types of

programs. While these additional funds alleviated part of the problem of paying for these special programs, the LBJ report suggests that the weights are insufficient and do not take into account all of the costs for providing special resources to these students.[32] That these weights are insufficient is confirmed by the results of the Accountable Costs Report. The Accountable Costs Advisory Committee recommended increases in the weights for all special programs.[33]

The Equalization Enrichment Allotment (EEA) is another of the equalizing mechanisms found in House Bill 72. The EEA "provides a special incentive for districts of moderate and low wealth to increase their local tax rates to 'enrich' their educational offerings."[34] Only those districts which have a taxable wealth of less than 110 percent of the statewide average are eligible for the EEA. The amount of money a district may receive is based on its property wealth relative to the rest of the state. The maximum EEA amount a district can receive is 35 percent of its Foundation allotment per student.

Finally, the authors of House Bill 72 sought to equalize access to a different sort of

educational resource--small classes. House Bill 72 places a ceiling on the size of kindergarten, first, and second grade classes, limiting them to no more than twenty-two students. However, when it did this, the legislature made no provision for the increased costs that would be associated with the reductions in class size. These costs are a central part of a new suit that has been brought against the state and its system of school finance.

The Edgewood Independent School District, the district in which Mr. Rodriguez lived, has again sued the state over the equity and constitutionality of the state's system of financing. There are some major differences between the current case and the one from the 1970's. First, significant equalization has taken place under the provisions of House Bill 72. Second, while at the time of the Rodriguez case it was true that poorer districts were taxing at a higher rate, it is not clear that the plaintiff districts in the current suit are demonstrating the sort of effort that would constitute the grounds for increased funds under a system of power equalizing.[35]

The plaintiffs in the current Edgewood suit argue that the state's system of school finance

violates both the Equal Protection Clause and Article 7, section 1 of the Texas Constitution. Specifically, they claim that "Texas has violated the Equal Protection Clause of the State Constitution by forcing persons in low wealth districts to have an inadequate school system while allowing persons in wealthy districts to have more adequate school systems."[36] Here again is the irony of House Bill 72. Prior to its enactment, the amount of state aid for the poorest 10 percent of districts in the state was $501 million. As shown in Table I, in the 1984-1985 school year, the first year of financing under House Bill 72, these districts received $766.8 million in state aid, an increase of over $265 million or 53 percent.[37] The gap between expenditures in poor districts and wealthy districts has been narrowed. In 1983-1984 spending in the wealthiest districts in Texas was on average 78 percent higher than spending in the poorest districts. In 1984-1985 this discrepancy was reduced to 44 percent. The gap between the near-wealthiest and near-poorest districts was reduced even further, to a difference of 25 percent.[38]

TABLE I

Comparison of State Financial Assistance by District Wealth
1983-1984 and 1984-1985

Category	No. Districts	State Financial Assistance 1983-1984	State Financial Assistance 1984-1985	Change Amount	Change Percent
1 (Poorest)	106	$501.10	766.8	265.7	53.0
2	106	195.6	289.4	93.8	48.0
3	107	362.2	521.4	159.2	44.0
4	106	306.7	403.7	97.0	31.6
5	107	381.1	483.4	102.3	26.8
6	106	402.6	506.0	103.4	25.7
7	106	466.6	559.0	92.4	19.8
8	107	590.7	629.5	38.8	6.6
9	106	402.2	417.9	15.7	3.9
10 (Richest)	106	46.1	36.4	-9.7	-21.0
State	1,063	3,655.0	4,613.0	958.7	26.2

Source: Texas Education Agency

While the gap between rich and poor districts has not disappeared, it has been narrowed, and many poor school districts have considerably more money to spend. In challenging the school finance system under House Bill 72, the plaintiffs representing poor school districts are challenging a system that has made them substantially better off. Should the courts find the reformed system to be unconstitutional, these districts could well end up no better, if not worse, than they were prior to 1984.

Texas is facing serious financial problems as the Edgewood case is underway. If the current and more expensive system of school finance is declared unconstitutional, it is possible that the Legislature would revert to the pre-1984 system, which was declared to be constitutional under the Fourteenth Amendment of the U.S. Constitution.[39] This would be a severe setback for poor districts and the state system of education as a whole.

There is no way to know what the final decision in this case will be, or how the Legislature will react to that decision. However, if the Texas courts should find the system to be unconstitutional,

they cannot recommend any remedy.[40] The Texas courts do not have the power to direct the Legislature to spend more money on education, or anything else for that matter, and even if they did, the state's current financial situation makes additional expenditures without additional taxes a highly unlikely prospect. So, even if the plaintiffs were to win in this case, many districts, including those who have intervened on the side of the state, would stand to lose substantially.

CHAPTER TWO
NOTES

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4. Texas Legislature, 51st Regular Session, 1949.

5. Mark G. Yudof and Daniel C. Morgan, "Rodriguez v. San Antonio Independent School District: Gathering the Ayes of Texas--The Politics of School Finance Reform," Law and Contemporary Problems, vol. 38 (1974), p. 386.

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8. John E. Coons, William H. Clune III, and Stephen D. Sugarman, Private Wealth and Public Education, (Cambridge: Harvard University Press, 1970) p. 71.

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10. Yudof and Morgan, Rodriguez v. San Antonio, p. 388

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13. Ibid, p. 11.

14. Serrano v. Priest, 96 Cal Rptr 601 (1973).

15. Coons, Clune and Sugarman, Private Wealth, p. 201.

16. Ibid, p. 202.

17. Ibid, p. 213.

18. Rodriguez v. San Antonio 337 F. Supp. 280, 283.

19. Ibid, p. 284.

20. Ibid, pp. 284-85.

21. TEXAS EDUCATION CODE, Section 16.001.

22. Ibid, Section 16.002.

23. Ibid, Section 16.004.

24. Billy D. Walker, "Special Report: Texas School Finance Update," Journal of Education Finance, vol. 10 (Spring 1985) pp. 505-506.

25. Ibid, p. 511.

26. 19 TEXAS ADMINISTRATIVE CODE, Section 33.62 (Vernon 1985).

27. Weber, Fredric A., Mark S. Westergard, Michael Cafiso, and T. Neil Thomas, "A Case for Public Finance Reform in Texas," Houston Law Review, vol. 23, (1986), p. 1123.

28. Texas Legislature, 68th Special Called Session, 1984.

29. Billy D. Walker, "Special Report." pp. 505-516.

30. Lyndon B. Johnson School of Public Affairs, The Initial Effects of House Bill 72 on Texas Public Schools: The Challenges of Equity and Effectiveness, (Austin, 1985), p. 30.

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32. LBJ School, House Bill 72, p. 5.

33. Texas Education Agency, The 1985-1986 Accountable Cost Study and Recommendations of the Accountable Costs Advisory Committee to the State Board of Education, (Austin, October 1986) pp. 8-10.

34. Ibid, p. 7.

35. This suit was filed in Texas District Court on May 23, 1984.

36. Edgewood v. Kirby, Plaintiffs Response to Motion for Summary Judgment, (Austin, December 1986), p. 3.

37. Texas Education Agency, 1983-1984 and 1984-1985 Audit Files.

38. LBJ School, House Bill 72, p. 17.

39. San Antonio v. Rodriguez, 411 U.S. 1, (United States Supreme Court, 1973).

40. TEXAS CONSTITUTION, Article 2, section 1 (West, 1984). Ex Parte Hughes, 129 SW2d 270 (Texas Supreme Court, 1939).
In re Dulin's Estate, 244 SW2d 242 (1952).
Passel v. Fort Worth Independent School District, 429 SW2d 917 (1968).

CHAPTER THREE

School Facilities Needs and Requirements

As was previously noted, one of the many intended effects of House Bill 72 was to reduce class size. While other portions of the legislation sought to equalize access to educational resources in the form of funding, the provision for the reduction of class sizes in the elementary grades was an attempt to increase access to teachers and instruction. Legislators limited class size in kindergarten through fourth grade to twenty-two students The law became effective for kindergarten, first and second grades in the 1985-1986 school year, and will be extended to the third and fourth grades for the 1988-89 school year.[1]

The implementation of this new law raises two important questions: First, how much effect does decreasing class size have on student achievement? Second, what will it cost school districts to achieve a maximum class size of twenty-two students?

Class Size Research

The evidence is inconclusive when it comes to determining the precise effects of reduced class size on student achievement. Some of the most extensive work on the relationship between class size and student performance has been done by Gene V Glass.[2] Glass, in collaboration with other researchers, has conducted "meta-analyses" of existing studies on these relationships. The importance of these works lies in the statements of their authors that "their techniques enabled them to make bold generalizations about the effects of class size on pupil achievement where other analysts could only make timid qualifications."[3]

The authors based their meta-analyses on empirical studies done on school class size from 1900 to 1978. The basic method of statistical analysis was a comparison of pupils' achievement tests in classes of two different sizes. In addition to class size, the study included comparisons of students by age, and according to the subject in which they were tested or taught.

On the relationship between class size and achievement, the authors stated that "from among the

725 comparisons of pupil achievement in smaller and larger classes, 435 or 60 percent favored smaller classes" even when controlling for pupil age and subject taught.[4] With further analysis it was concluded that studies which exercised experimental control through the random assignment of pupils to classes of different size were even more likely to show the positive effect of smaller size on performance.[5]

Thus, Glass and his associates conclude that small classes are better than large ones, although there is not much difference between large and very large classes. The effects of class size on achievement appear to be significant once size drops below twenty students, and there appears to be no discernable effect once the size reaches forty students. Therefore, the question turns on the marginal effects of reductions in class size between twenty and forty, and the relative marginal costs of making those reductions.

As was previously noted, the reports by Glass, et. al. "have unusual importance since they hold the possibility of having far-reaching yet unwarranted impact on a whole array of educational

policy and management decisions pertaining to the assignment of pupils, teachers, and resources to classrooms."[6]

Because of the potentially sweeping nature of these implications, researchers at the Educational Research Service (ERS) took a critical look at both the methodology and results of the meta-analyses.[7] They found that the relationship between reduced class size and achievement was not so strong nor as unequivocable as it might initially appear. The critique stated that "[t]he research and related literature on class size is immense...and reviewers of this research have generally concluded that **the relationship between class size and pupil achievement is inconclusive--with some studies finding that smaller classes are better, some that larger classes are better, and some report that there is no difference between the two**" [emphasis added].[8]

ERS levels five major criticisms at the work of Glass and his collegues. First, in the process of aggregating data for the purposes of meta-analysis, important distinctions among studies are lost. Thus, findings which are presented as precise

and accurate, are based on information which is by its very nature imprecise.[9]

The second point on which ERS criticizes the meta-analyses is the quality of the information used to do the studies. Although Glass, et al, refer to 110 studies of class size, their final results and "bold generalizations" rest on only 14 studies. The 14 studies which are included in the analysis cover a variety of instructional arrangements, many of which are not traditionally found in the public schools.[10] ERS also found coding errors and inconsistencies, both in the definitions of variables, and in the types of studies used as sources of data.

There are inconsistencies in the interpretations of the findings as well. These inconsistences occur both within the studies and between them. The contradictory statements seem to indicate that small reductions (e.g. from 25 to 22) in class size both do and do not have significant effects on student achievement. ERS points out that it is difficult to determine from Glass' work in just what grades and what subjects reductions in class size would have an effect, and how large those reductions would have to be.[11]

Finally, ERS is critical of Glass because the meta-analyses confuse the class size issue by unjustifiably encouraging class size reductions and discouraging new class size research.[12] The data and methodology flaws in the Glass studies serve to weaken the findings. Thus, the evidence that smaller is better is less than convincing. Nonetheless, the generalized recommendations for class size reductions are made.

By making recommendations, and seemingly putting the class size issue to rest, Glass and his associates have discouraged further research in this area.[13] Yet it is clear that the issue is not closed, and that more investigations into the questions of class size are needed.

The absence of any significant relationship between class size and school effectivness is also discussed by Richard Rossmiller, Eric Hanushek and others. Rossmiller points out that "[t]he evidence on the effect of class size on student achievement is difficult to interpret, and indeed, it is somewhat ambiguous. Even if one considers only self-contained elementary school classrooms, research evidence does not support a conclusion that, within the ranges

typically encountered in American schools, class size is a powerful determinant of student outcomes."[14] This again raises the question of relative costs and benefits.

The choice of twenty-two as a maximum for Texas class sizes in the early grades was a political and not a research-based decision. This number was arrived at as a compromise between House and Senate factions in the debate concerning the legislation.[15] Despite the fact that there is no conclusive evidence one way or the other to support small reductions in class size, it is clear that significant reductions (e.g. from 30 to 22 students) could be beneficial to both students in teachers.

The Effects of the 22:1 Requirement on School Facilities

Implementation of the maximum class size requirement in Texas is going to be expensive. The two costs that will make up most of this expensive undertaking will be the costs of hiring teachers, and for a larger number of districts, the costs of providing additional facilities. This chapter will

focus on the cost of facilities associated with the requirement.

Legislators were aware that there would be some districts which would be unable to meet the requirements of the new law in the fall of 1985. Therefore, the law includes a waiver provision which provides that, on application, a district may be exempted from the requirement if the Commissioner of Education finds that it "works an undue hardship on the district."[16]

As of March, 1986, over 250 school districts had applied for and been granted waivers from the required class size of 22:1 due to a lack of facilities. The majority of these waivers were granted to small, non-metropolitan or rural districts, with 42 percent of all waivers for facilities going to districts with an average daily attendance between 1,000 and 5,000.[17]

The relationships between requests for waivers and a variety of district characteristics were studied as a part of the 1985-1986 Accountable Costs Study.[18] There appears to be some correlation between district wealth and classroom shortages. As wealth increases, the percentage of districts

requesting waivers decreases. Table II shows that at lowest wealth classification in the TEA Analyze Catagories (less than $87,371 in taxable wealth per ADA) 39 percent of all districts had requested waivers from the requirement, compared with only 2 percent in the highest wealth category. Furthermore, there appears to be a strong relationship between number of waiver requests, and operating costs per student. Forty one (41) percent of those districts in the lowest category (under $2,180 per student) were granted waivers, as compared to 14 percent for those districts spending $3,511 to 4,293 per student, and 5 percent for those districts spending more than $4,293 per student. Over one half of all districts with waivers have operating costs per student of less than $3,111. This is of particular significance as the median state-wide operating cost per student is $3,271.[19]

There is also a strong relationship between student density and the number of waivers requested. The distribution of waivers as a function of student density indicate that in all but the very small and

TABLE II

Class Size Waiver Information for 1985-1986
Relationships of Waiver Requests and Key Variables

No. Dists	Category	No. Dists With K-2 Waivers	Percent	No. of K-2 Classrooms
	ADA Groupings			
6	Over 50,000	2	33	36
13	25,000-49,999	5	38	173
22	10,000--24,999	17	39	314
35	5,000--9,999	15	43	272
94	3,000--4,999	31	33	124
119	1,600--2,999	45	38	160
117	1,000--1,599	31	26	83
208	500--999	62	30	135
427	Under 500	48	11	76
	District Type			
8	Major Urban	4	50	113
31	Other Central City	16	52	316
87	Suburban-Fast Growing	33	38	312
64	Suburban-Stable	19	30	147
208	Non-Metro w/1000+ ADA	65	31	260
233	Non-Metro w/ Town	53	23	97
432	Rural	66	15	128
	Wealth (Median=$179,789)			
106	Under $87,371	41	39	386
106	$87,371--$105,654	31	29	101
107	$105,655--$124,118	27	25	102
106	$124,119--$149,486	33	31	113
107	$149,487--$179,788	33	31	195
106	$179,789--$214,613	22	21	61
106	$214,614--$269,867	28	26	239
107	$269,868--$369,110	24	22	118
106	$369,111--$630,807	15	14	56
106	Over $630,807	2	2	2
1,063	**State Total**	256	24	1,373

Source: Texas Edcuation Agency

sparsely populated districts (less than 5 students per square mile) the maximum class size requirement is putting a strain on classroom space. For all districts where student density was five or more, 30 percent or more districts in every category have waivers for school facilities. When these figures are contrasted with those for the percentage of students who qualify for free and reduced lunch, it appears that the effects of the maximum class size requirement (as a function of waiver requests) is more strongly correlated with a district's geographic size and taxable property wealth than to the income of individuals in a district.[20]

These waivers represent a shortage of over 1,800 classrooms as of the spring of 1986.[21] When a district applies for a waiver, it is required to submit supporting documents stating how it plans to meet its facilities needs. However, the quality of information and level of detail in these reports varies considerably among districts, and if even there were complete information on waiver districts, this would only provide an estimate of part of the total cost. The cost of meeting the facilities requirement of the maximum class size law for the

entire state will far exceed the cost of meeting waiver requirements. Many districts who did not file for waivers will have costs associated with the new maximum class size law. Thus, it is necessary to explore alternative ways of estimating the cost of meeting the school facilities needs of the maximum class size requirement.

The Cost of Meeting Facilities Needs

In order to evaluate the need for school facilities, and the costs of meeting those needs, there must be some agreed-upon basis for comparison. Since the Texas Education Agency has had no statutory standards for school facilities since the middle of the 1970s, it is necessary to look elsewhere for standards which can be used in a discussion of school facilities.

There are some established means for evaluating school facilities. Building inspection and fire codes set minimum standards for safety, and there are minimal accreditation requirements for school buildings. However, these measures are insufficient for making comparisons or evaluating costs. Thus, turning to architects who are involved

in school design is the best way to establish necessary guidelines.

Discussions with architects, and a review of building and architectural literature yielded a set of basic requirements for building sites and classroom size. As one might expect, the site size for secondary schools is larger than that for elementary schools. Architects suggest that a elementary school site have a minimum of three to five acres, plus one acre for each one hundred students. Secondary schools should have a basic site of ten acres plus one acre for each one hundred students. For indoor area, particularly classroom space, there should be an allowance of thirty to thirty-five square feet per child.[22]

In addition to providing a measure of what constitutes an adequate educational facility, these standards make it possible to create a model to estimate the cost of constructing classroom space. The cost of building a classroom is a function of several things. First, there is the cost of the building shell. This consists of the building exterior, the cost of which will be determined by the materials used and the quality of finish which is

desired, and all equipment costs. Additional costs include site development costs, professional fees, land acquisition and demolition costs, and any other contingency costs which might arise. From this list of costs, a model to estimate the cost of a classroom can be constructed.[23]

Classroom Costs Model

The maximum class size requirement dictates that a classroom be designed to accommodate twenty-two students. From this we know that the size of the classroom should be approximately 770 square feet. A model which incorporates all of the elements discussed above will be useful if we can estimate a per square foot cost for elementary school construction, and then multiply that cost by the necessary size of the classroom.

R. S. Means Construction Costs Data for 1985-1986, a guide to construction costs for various locations and types of construction, gives $57.75 as the average per square foot cost of elementary school construction in Texas.[24] Using this value, the number of classroom requests from waivers, and the following model, suggested by Dr. Lance Tatum of the

University of Texas School of Architecture, we can estimate the minimum cost of meeting the facilities needs of the maximum class size requirement.

A.	Building cost = $57.75/sq ft x 770 sq ft	44,467.50
B.	Fixed Equipment Costs = .05(A) (built in fixtures)	2,223.38
C.	Moveable Equipment Costs = .05(A) (desks, audio-visual, etc.)	2,223.38
D.	Total Cost of Building Shell = A+B+C (ready for use)	48,914.26
E.	Site Development Costs = .05(D) (landscaping, leveling)	2,445.71
F.	Professional Fees = .07(D+E) (architects, engineers, special ed)	3,595.20
G.	Contingency Fees = .08(D+E)	4,108.00
H.	Land Acquisition (if applicable)	
I.	Demolition Costs (if applicable)	
J.	Total Cost of Facility D+E+F+G+(H+I)	59,063.97

This figure, when adjusted for location, is the cost of constructing a single classroom. The accuracy of this estimate is substantiated by insurance estimates of school facilities in Texas which place the costs

of school facilities between 52.00 and 58.00 per square foot, or a classroom cost ranging from $54,000 to $60,000.[25]

When this estimate is multiplied by the number of classrooms needed just to meet the waiver requests for the 1985-1986 school year, the resulting product is about $100 million. This $100 million includes only the cost of building additional classrooms. In cases where many rooms are needed, districts may opt to build entire elementary schools. The costs of building a new school includes additional expenses for offices, libraries, gymnasiums and cafeterias which are not included in the model or in the minimum estimate. However, even with these increases, the cost of meeting the facilities requirements of 22:1 still represents a fairly small proportion of the total spent for education.

All districts have been affected by the 22:1 requirement, therefore the cost of meeting the needs of districts with waivers represents only the minimum cost of meeting the requirement. However, not all districts will have to build additional classrooms. For some very small districts the

requirement is not an issue, and for the 434 districts whose enrollment has declined from 1985-1986 to 1986-1987,[26] building additional facilities would not appear to be a wise use of funds. Nonetheless, there are districts who did not file waivers but did incur facilities costs. The costs incurred by these districts will increase the total amount spent to meet facilities needs.

Work done by the Public Utilities Commission (PUC) provides additional information on districts which did not file waivers, but are planning new construction in response to House Bill 72. In early 1986 the PUC conducted a survey of school districts in Texas to determine the number of new school construction projects being planned in those districts. The PUC gathered information about the type and cost of the planned construction, as well as asking the districts the reason for the new construction. This material is presented in Table III. Of more than 400 districts that responded to the survey, 256 cited House Bill 72 as one of the main reasons for building new school facilities.[27] These districts also gave an estimate of what the school facilities would cost. Nearly half (211) of

TABLE III

Districts with Waivers Citing House Bill 72
as a Reason to Build

No. Dists	Category	No. of Rooms Requested	HB 72 Cited as a Primary Reason	HB 72 Cited as a Secondary Reason
	ADA Groupings			
6	Over 50,000	36	6	2
13	25,000-49,999	173	11	6
22	10,000--24,999	314	34	19
35	5,000--9,999	272	23	11
94	3,000--4,999	124	48	19
119	1,600--2,999	160	72	33
117	1,000--1,599	83	61	22
208	500--999	135	105	47
427	Under 500	76	112	48
	District Type			
8	Major Urban	113	8	3
31	Other Central City	316	23	10
87	Suburban-Fast Growing	312	61	31
64	Suburban-Stable	147	33	44
208	Non-Metro w/1000+ ADA	260	112	42
233	Non-Metro w/ Town	97	97	45
432	Rural	128	138	59
	Wealth (Median=$179,789)			
106	Under $87,371	386	66	34
106	$87,371--$105,654	101	52	23
107	$105,655--$124,118	102	49	19
106	$124,119--$149,486	113	49	24
107	$149,487--$179,788	195	53	21
106	$179,789--$214,613	61	50	22
106	$214,614--$269,867	239	49	24
107	$269,868--$369,110	118	53	27
106	$369,111--$630,807	56	30	9
106	Over $630,807	2	21	4
1,063	**State Total**	1,371	472	207

Source: Texas Education Agency

the districts responding indicated that their needs could be met for less than $1 million in each district. Of those that remained, 83 districts estimated that their costs would be between $1-$3 million, 44 estimated it would require $3-$5 million, 27 put their costs at $5-$10 million, and 64 districts estimated that their costs would be in excess of $10 million.[28] Not surprising was the disclosure that the bulk of construction was either for additional classroom space, or for elementary schools. Close to half of all planned construction of school building was for elementary school facilities.[29]

Clearly, the cost of this construction will far exceed the $100 million that will be necessary to meet the needs of those districts with current waivers. In all cases there will be two factors in particular that will affect the costs of building these facilities. The first is the type of materials used in construction. There is a wide variety of materials which are approved and available for school construction ranging in cost from inexpensive to exorbitant. The difference between an all brick building and one with a brick veneer is close to

$20.00 per square foot, and while a brick building might be more aesthetically pleasing than one that is brick and concrete block, the differences in their functional value are negligible. Thus, in evaluating the cost of school facilities it will be necessary to consider more than just whether or not to build, but also what alternatives for materials and construction exist.

The other important variable, one that has been raised before, is location. The costs associated with construction vary among different types of areas, towns, cities and rural areas, and across different parts of the state. Thus, despite the fact that two districts may build identical facilities, the costs must be adjusted with respect to location.

For districts with limited funds, or needing only one or two classrooms, there is an alternative to constructing additional facilities. That alternative is portable classrooms. While not a aesthetically pleasing as a masonry building, portable classrooms do have some characteristics that make them attractive to districts that need to acquire additional space quickly. The average price

of a portable classroom is $30,000, about half the cost of constructing a classroom, according to the Accountable Costs Study.[30] These buildings can be set up quickly, and in larger districts they can be moved from campus to campus as the districts' needs change. Their lower price and flexibility also make them attractive to smaller districts, which may need an additional classroom for a few years, but do not want to invest in additional construction.

Districts must exercise care when deciding whether or not to construct additional facilities. Decisions must take into account both the cost of and need for facilities. Because new construction represents a long-term investment, district must be relatively certain that there will be a coincident long-term need. If the need for additional facilities created by the maximum class size requirement appears to be short-lived, it would be imprudent for a district to invest in additional construction.

CHAPTER THREE
NOTES

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21. Interview with Lance Tatum, Associate Professor of Architecture, University of Texas, Austin, Texas, March 31, 1986.

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CHAPTER FOUR

School Facilities Financing In Texas

Variations in cost and in district ability to pay have led to questions about the ability of the state to impose the maximum class size requirement without providing some sort of assistance to those districts which cannot afford to build the facilities that will be necessary to accommodate their needs. The Edgewood Independent School District in San Antonio has raised these questions in the form of a lawsuit, which contends that the state cannot impose these restrictions without providing some sort of financial assistance to school districts.

Capital facilities are assets which will be used for long periods of time. In the case of school buildings, the benefits of use will be enjoyed by several generations of school children. This fact provides the foundation for arguments which favor long-term financing for capital acquisitions. If a school building were to be built or purchased with cash, then the generation which built the facility would bear the entire cost, including opportunity costs of that building, and those who used it in the

future would do so for free. This is neither fair nor economically efficient. Thus, the acquisition or construction of facilities should be financed through the use of long-term debt, which provides that future, as well as present users, will pay for the benefits.

Capital financing programs should be developed as part of a district's overall long-range educational plan.[1] Because many districts were not anticipating an increase in the numbers of kindergarten, first, and second grade classes, the maximum class size requirement of House Bill 72 produced a "facilities shock" in some districts. These districts experienced a sudden shortage of available classroom space as a direct result of the implementation of this new law, and thus have a need for additional facilities.

Before delving into the problems faced by these districts, a more general discussion of long-term debt financing is useful. Article 7, section 3 of the Texas Constitution deals with taxation for the purpose of supporting a system of free public schools. The Constitution states that:

> The legislature may authorize an additional ad valorem tax to be levied and collected within all school districts hereto formed or hereafter formed, for the further maintenance of public free schools and for the erection and equipment of school buildings therein;

Pursuant to this, Section 20.01 of the Texas Education Code gives local school districts the power to issue bonds and levy the necessary taxes to pay for school construction.[2]

Thus, by constitution and by statute, each school district has within its power the ability to acquire financial resources for capital acquisition and construction. The issuance of bonds is subject to voter approval, and to the limitation that outstanding bonded indebtedness not be in excess of 10 percent of the assessed valuation of taxable property in the district.[3]

Limitations on tax rates vary depending on their purpose. Taxes for maintenance and operation cannot exceed $1.50 on every $100 of taxable property.[4] For bonds, such as those that would be used to finance the construction of school facilities, the tax rate is specified by the language contained in the bond resolution. The law permits tax rates for bonds to be either unlimited

and sufficient to pay the principal and interest on the bond,[5] or limited to no more than $1.00 on every $100 of taxable property.[6] If a district ever elects to have an unlimited debt service tax rate, then all subsequent bond issues carry an unlimited rate. Likewise, if bonds are ever voted to have a limited rate, then all subsequent issues have a limited rate.[7] Currently, no district has a debt service tax rate of $1.00 or more, and all bonds carry an unlimited tax rate.[8]

These taxing provisions, while they do give districts significant latitude in financing school facilities, do not alleviate the problem of differences in assessed values of property. The arbitrariness and inequities of assessment practices were greatly reduced with the enactment of major property tax reform legislation in 1979. However, the effects of differences in total property tax bases on capital outlay have not been and are unlikely to be eliminated.

During the 1985-1986 school year, nearly 300 school districts constructed or remodeled over 2,200 classrooms in order to meet the maximum class size requirement of House Bill 72.[9] Of these

districts, only 95 had waivers, indicating that many districts who did not file for waivers did in fact have to build facilities to meet the new requirements of the law.

This being the case, one can estimate the minimum cost of this new requirement by estimating the cost to districts for the 1985-1986 school year. This is only a minimum because there may be some districts who constructed new facilities without indicating this to the Texas Education Agency, and there will surely be additional construction to accommodate the reductions in the size of third and fourth grade classes in the 1988-1989 school year.

Using an estimated cost of $59,000 per classroom,[10] the 2,200 classrooms constructed in the 1985-1986 school year cost districts approximately $130 million. An additional 900 rooms were requested by districts with waivers, but were not built. The cost of these facilities would add an additional $53 million to the bill, bringing the minimum cost of initial compliance to over $180 million.

These additional costs have come at a time when many districts are being faced with increasing local costs (not just for education) and declining

ability to raise revenues. Of the 1,063 school districts in Texas, 282 draw most of their property taxes from oil and gas, and 314 rely chiefly on agricultural lands.[11] Since the implementation of House Bill 72 began, both the energy and agricultural industries have declined substantially and many other parts of the state have indirectly experienced economic decline because of the oil and real estate recessions. Thus, the question turns on whether or not these districts can, under the current financing system, raise the funds to construct the needed facilities.

The Guarantee Bond Program

Through the creation of the Guarantee Bond Program for School Districts, the State of Texas provided a mechanism for lowering the cost of construction capital to school districts. The guarantee states that "on approval by the Commissioner, bonds (issued by school districts) are guaranteed by the corpus and income of the permanent school fund."[12]

Many districts are not able to qualify for a AAA bond rating on their own. The Bond Guarantee Program enables districts with poorer bond ratings to qualify for a AAA rating, thus reducing the cost of debt service. To be eligible for a bond guarantee, a school district must be accredited by the State Board of Education.[13] The district must then apply to the commissioner for a guarantee. The application must contain the name of the school district, the principle amount of the bonds, the maturity schedule, interest rate and date of the bonds.[14] If the commissioner finds the district to be accredited and in good financial standing, then the bonds will be guaranteed.[15]

For the 1985-1986 school year, the bond guarantee program insured $1,250,215,000 in bonds in 193 school districts. Of these, 121 issues were for less than $5 million, and only 31 were for more than $10 million.[16] Of the districts enrolled, 146 (75.6 percent) fell below the state average of $237,450 in taxable property wealth per student, and these districts were responsible for 76.6 percent of the guaranteed bonds.[17]

Recently, the Commissioner proposed an amendment to the State Board. This amendment proposed that priorities be assigned in the use of the funds available to guarantee bonds. Because the amount of funds available for guarantees is limited to the amount of the Permanent School Fund, and because large issues tie up a significant portion of those funds, the Commissioner has proposed that bond guarantee approvals be limited to $6,000,000 per district per year if available funds are low. Also proposed are procedures which would allow the Commissioner to limit the approval of the guarantee to districts whose bond rating is "A" or less.[18] These limitations insure that small districts with small bond issues and low ratings will not be crowded out of the Guarantee Program by larger districts with ratings that are sufficiently high as not to require the guarantee.

These proposed limitations on the Guarantee Program have two important consequences. First, by limiting the size of issues which can be guaranteed, more guarantees will be available to those small districts that make up a large percentage of school districts in Texas. Second, by restricting the

eligibility to those districts with an "A" rating or less, the cost of financing construction is reduced for those districts to whom it is most important. The difference between an "AAA" and a "BAA" rating can be as much as one-half to three-fourths of one percentage point.[19] This can amount to a great deal of money when applied to millions of dollars over long periods of time.

While the guarantee program does serve to equalize the cost of money to districts, it does not provide any additional funds for construction. Therefore, the first question is whether, and to what extent, the current policy is sufficient to finance the state's building needs. If the bond guarantee program cannot meet the state's needs, the question remains whether the state has an obligation to provide funds if it is going to impose standards which require districts to build or acquire additional facilities? And if so, where should those state funds come from and how should they be awarded?

Funding Capabilities of Districts With Waivers

As was previously noted, no district may have bonded indebtedness in excess of 10 percent of

the assessed valuation of its taxable property. Currently, no district with a waiver is at that ceiling, and only 13 districts with waivers have debt in excess of 5 percent of their taxable value. It would thus appear that the capacity for bonded indebtedness would not prevent districts from being able to finance school facilities. However, in the case of many districts, it is not the potential level of debt, but the lack of available wealth to finance the debt that becomes an obstacle to constructing additional facilities.

As a group, districts with waivers have an average of $179,764 in taxable property wealth per student. This is over $60,000, or 25 percent, less than the statewide average of $240,684 taxable wealth per student. While the property wealth of districts with waivers ranges widely, from nearly $800,000 per student to just over $37,000, most of the districts with waivers are below average in wealth. Comparing individual districts to the average for both the state and those districts with waivers, 174 districts, (68 percent), had wealth below the group average, and 200 districts, (78 percent), had wealth below the state average.

Of the districts with less than average wealth for districts with waivers, eleven districts had no debt service tax rate. However, these are all small districts, the largest having an ADA of 2,800, and most need only one or two rooms. Furthermore, these districts have a maintenance and operation tax rate of 0.68583, 17 cents higher than state average, and may well finance limited additions to school facilities from these funds. For the remaining districts, those with debt service tax rates, the rates range from .018427, or 1.8 cents for every $100 of taxable property to nearly 71 cents for debt service. A similar pattern holds for districts with wealth below the average.[20]

As was stated previously, capital investments such as school facilities should be financed through the use of debt. The level of debt expressed as a percent of district wealth provides an indication of the local districts ability to finance new construction. Table IV illustrates that average debt is only 2.62 percent of taxable wealth for districts with waivers.[21] Even in the twelve districts which reported needing more than twenty-five rooms, debt averages only 3 percent of taxable

TABLE IV

Analysis of Wealth and Debt in Waiver Districts
For the 1985-1986 School Year

Number of Classrooms Requested	Number of Districts	Average Refined ADA 1985-86	Average Wealth per ADA	Average Debt Service Tax Rate	Average Maintenance Tax Rate	Average Total Tax Rate	Average Debt as a % of Wealth
1	84	1,357	207,397	0.124	0.582	0.706	2.45
2 to 5	122	1,735	164,907	0.175	0.549	0.725	2.79
6 to 15	30	5,789	166,454	0.188	0.561	0.749	2.40
16 to 25	8	27,330	207,656	0.090	0.527	0.617	2.01
25+	12	22,436	152,057	0.157	0.488	0.646	3.02
Total	256	3,857	179,764	0.157	0.558	0.714	2.62

State Averages:

Debt Service:	0.124
Maintenance:	0.602
Total:	0.726
Debt as a % of wealth:	2.470

Source: Texas Education Agency

wealth. However, there are specific districts for whom the financing of additional facilities would be extremely difficult.

One district, which reported needing 99 classrooms, has a total effective tax rate of 73 cents, and outstanding debt which is 7.06 percent of total district wealth. For such a district additional debt for the purpose of building school facilities would be a substantial burden. With such a level of debt, voters will be unwilling to take on new debt and see their property taxes rise even further. The total effective tax rate discussed here is only to support education, and it does not include the other property taxes levied by overlapping local governments. While there may be no limit to the debt service tax rate a district may levy on debt which has already been approved, voters will not be likely to elect to raise taxes by taking on new school debt.

Overall, districts with waivers have higher debt service and total tax rates than the state average, as well as a higher ratio of debt to assessed value. These facts, combined with the lower wealth and overlapping taxes in many of these

districts will make it difficult for many districts to build new facilities.

These wide variations, both in willingness to tax at a high rate, and in fiscal capacity in terms of property wealth create difficulty in making blanket statements about the ability of districts with waivers to provide for additional facilities. Certainly, very wealthy districts can afford to meet their facilities needs. Even those districts with moderate levels of property wealth, and those in fast growing areas with expanding property tax bases can reasonably be expected to meet some if not all of their facilities needs. However, districts with low or in some cases declining property wealth may face problems meeting the facilities needs of the maximum class size requirement. These areas are ill-equipped to deal with increasing local costs and responsibilities which are being put upon them at a time when they are least able to deal with their problems financially.

Waivers and Small Districts

In addition to issues of district wealth, questions of district size are important when

considering the implications of the maximum class size requirement. Texas is made up of small school districts; over 90 percent (965) of the districts have an average daily attendance of less than 5,000. For small districts the cost of building additional facilities to comply with the 22:1 requirement is not within reasonable expectations.

To a great degree, waivers were granted for a total of five rooms or less, and the majority of these were granted to small districts--those with an average daily attendance of five thousand or less. Table V shows that for the 1985-1986 school year, 200 (78 percent) of the 256 districts requesting waivers were districts with less than one thousand students in average daily attendance (ADA). Eighty four districts (32.8 percent of all districts requesting waivers) requested only one room, and of these 80 districts (95 percent) had an ADA of less than five thousand. One hundred twenty-two districts (47.7 percent of all districts requesting waivers) requested between two and five rooms, and 120 (98 percent) of these districts had an ADA of less than five thousand. Overall, 78.1 percent of all waiver

TABLE V

Analysis of Districts Needing One to Five
Additional Classrooms

No. Dists	Category	Districts Needing One Room	Percent Needing One Room	Districts Needing 2 to 5 Rooms	Percent Needing 2 to 5 Rooms
	ADA Groupings				
6	Over 50,000	0	0	0	0
13	25,000-49,999	0	0	0	0
22	10,000--24,999	1	1	1	1
35	5,000--9,999	3	4	1	1
94	3,000--4,999	6	7	19	16
119	1,600--2,999	8	10	30	25
117	1,000--1,599	10	12	19	16
208	500--999	27	32	33	27
427	Under 500	29	35	19	16
	District Type				
8	Major Urban	0	0	0	0
31	Other Central City	2	2	1	1
87	Suburban-Fast Growing	3	4	22	18
64	Suburban-Stable	3	4	7	6
208	Non-Metro w/1000+ ADA	16	19	35	29
233	Non-Metro w/ Town	27	32	26	21
432	Rural	33	39	31	25
	Wealth (Median=$179,789)				
106	Under $87,371	9	11	20	16
106	$87,371--$105,654	11	13	17	14
107	$105,655--$124,118	4	5	17	14
106	$124,119--$149,486	14	17	15	12
107	$149,487--$179,788	10	12	17	14
106	$179,789--$214,613	9	11	11	9
106	$214,614--$269,867	10	12	8	7
107	$269,868--$369,110	9	11	11	9
106	$369,111--$630,807	6	7	6	5
106	Over $630,807	2	2	0	0
1,063	**State Total**	84	100	122	100

Source: Texas Education Agency

requests were for less than five rooms, and 75.7 percent of all requests came from small districts.

There are substantial marginal costs to small districts associated with reducing class size. While large districts can often spread classroom overflow through several schools, many small districts cannot. The cost of reducing class size from twenty-five (the average class size required prior to House Bill 72)[22] to twenty-two students is enormous. What would in fact occur is a reduction in class size from one class of 25 to two classes of 12 and 13 students each, a prohibitively expensive proposition for all but the wealthiest districts in the state. For example, a small district which has twenty-five first graders would have to build or purchase a second first-grade classroom in order to comply with the law. It can be argued either that the classroom is being built for the three additional students, in which case the cost per child of the additional classroom is 59,000/3, or $19,700 per student, or if it is built to accommodate half of the first graders, then the cost is 59,000/13, or $4,538 per student. In either case, this is a tremendous and questionable cost for many small districts,

particularly if there is little likelihood that there will be enough growth in student population to fill the new rooms. Because districts are required only to report the number of rooms needed, and not the number of students in excess of twenty-two in those rooms, available data do not allow a determination of exactly how many children are affected. However, as all requests for five rooms or less are from small districts, the number of excess students is likely to be small in many cases. There needs to be some flexibility in the law to accommodate the needs and financial constraints of these districts. Perhaps by making the maximum class size a function of district ADA some of these problems could be alleviated, at least in terms of reducing the marginal cost of additional classrooms.

In addition to the districts who requested waivers, 667 districts indicated to the Texas Education Agency on their fall survey that they have classrooms with more than twenty-two students in them. The distribution of classrooms in excess of twenty-two students is:[23]

GRADE	# DISTRICTS	# ROOMS
K	263	1,805
1	287	2,290
2	254	1,720
3	490	5,762
4	519	6,191
Total	667	17,771

As previously mentioned, prior to HB 72, school districts were required to maintain an average pupil teacher ratio of 25:1. Thus if one assumes this ratio persists in each of these 17,771 classrooms which are out of compliance, then the number of classrooms needed is: (3 students x 17,771 classrooms)/22 students per classroom = 2,423 rooms.

There are two interesting features to these numbers. The first is that fully two-thirds (11,953) of the classrooms with more than twenty-two students are in grades 3 and 4, which do not fall under the maximum class size requirement until the 1988-1989 school year. Second, the number of classrooms needed to meet the classroom requirements for all grades is approximately equal to the construction needs to accommodate the annual growth in school age population. With a 2 percent annual growth rate in enrollment (approximately 60,000 students) about 2,700 hundred rooms are needed just to house the new

student population. Therefore the maximum class size requirement has effectively increased the need for school facilities by the number of classrooms needed to meet one year's growth in population.

Since this appears to be a one-time increase in total need, a one-time infusion of state funds could potentially provide relief to these school districts. The advantage that state financial assistance would have over alterations to the maximum class size requirement is that the latter will not eliminate the need for funds to pay for school facilities construction. There is little chance that additional state funds will be made available to districts in the short term given the state's current financial situation. Nonetheless, alternatives must be made available to school districts in order that they may deal with the effects of the maximum class size requirement. Presently, the only option available to districts who cannot implement the requirement is a waiver. While the waiver provision allows districts to maintain their accreditation, waivers do nothing to further educational achievement, and cannot be viewed as a solution of

any sort. If the maximum class size requirement is to remain on the books, some real solutions must be found.

CHAPTER FOUR
NOTES

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2. TEXAS EDUCATION CODE, Section 20.01 (Vernon 1986).

3. Ibid, Section 20.04.

4. Ibid, Section 20.04(d).

5. Ibid, Section 20.04(b)(1).

6. Ibid, Section 20.04(b)(2).

7. Ibid, Section 20.04(c).

8. Texas Education Agency, Division of State Funding.

9. Texas Education Agency, Division of Accreditation, Division of Research.

10. See Classroom Cost Model

11. State Property Tax Board, Valuation Division, 1986.

12. 19 TEXAS ADMINISTRATIVE CODE, Section 33.62, subsection 20.902 (Vernon 1986).

13. TEXAS EDUCATION CODE, Section 20.904.

14. Ibid, Section 20.905.

15. Ibid, Section 20.906.

16. Texas Education Agency, Division of State Funding.

17. Ibid.

18. Dr. William N. Kirby, Commissioner of Education, letter to the State Board of Education, July 12, 1986.

19. Phone conversation with Mr. Danny Berger, Municipal Advisory Council, Austin, Texas, March 4, 1987.

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21. Ibid.

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23. Texas Education Agency, Division of Resource Planning.

CHAPTER FIVE

School Facilities Financing In Other States

When examining the financing options available to Texas, it is helpful to look at facilities financing programs in other states. In 1986 the National Governors' Association (NGA) undertook a comprehensive study of the education system in the United States.[1] The NGA found that, in contrast to Texas, in most other states, there is a significant degree of state involvement in the financing of local school facilities: "State involvement in capital funding for school facilities ranges from 100 percent financing in Hawaii to no funding in sixteen states [including Texas]."[2] Thirty-three states provide some level of capital assistance to local education agencies, and eighteen use an equalization formula in distributing funds. The formulas serve to equalize funding on the basis of ability to pay. The NGA also reports that in those states which use formulas, "regardless of local valuation, state funds amount to at least 75 percent, and no more than 90 percent of approvable projects."[3]

There is a variety of ways in which states can aid local districts in paying for the construction of school facilities. Three of the most basic ways in which states provide school districts with funds are a centralized system of state funding, in which the state makes construction decisions for the local districts; a system of matching grants in which local districts retain much of their decision-making power; and subsidies for interest paid on debt for construction.

Seven states, do not provide funds for construction, but do subsidize local districts for the interest paid on debt for school construction.[4] In this sense Texas could be thought of as providing some assistance to local districts for school facilities, because some school bonds are guaranteed by the state, and therefore carry a lower rate of interest than bonds which are not guaranteed. However, an interest subsidy program does not provide Texas with any new options, nor does it address the problems which property-poor districts face in financing new school construction.

A second way in which many states finance school facilities is through the use of matching

grants. In a system of matching grants, the amount of state money a district receives depends on the amount raised locally. In this way, a matching grant in effect lowers the price the district must pay for school facilities, because for every one dollar which is raised locally, more than one dollar's worth of school facilities can be purchased. By effectively lowering the cost of school construction, matching grants provide districts with an added incentive to raise local funds for projects. Matching grants have another advantage over alternative forms of financing in that they allow for an equitable distribution of state funds on the basis of local effort, and they allow local districts to maintain decision-making power over school facilities.

Georgia, Maine and Massachusetts all reimburse local districts for a fixed percentage of the cost of construction. These states distribute money according to formulas which take into account both district wealth and the cost of construction. Georgia's program funds between 75 and 90 percent of facilities to meet growth based on district property wealth per child.[5] In Massachusetts, school construction aid is distributed through the use of a

percentage equalizing formula. Like Georgia, Massachusetts awards a percentage of total expenditures per child, based on district property wealth. These states also subsidize up to 50 percent of debt service.[6] In Maine, local ability to pay is based on state-determined property assessments. Local share of new projects is one mill or 5 percent of the cost of the project, whichever is less.[7] In contrast to those states that fund a percentage of construction costs, Minnesota is a good example of a state which uses matching grants to provide low wealth districts with funding for school construction. Because of the structure of its program it also provides a useful comparison to Texas.

Minnesota's Maximum Effort School Aid Law

In Minnesota a program exists to assist districts having a high tax effort for debt service. The Minnesota program provides a useful comparison to Texas for two reasons. First, in 1979, then Governor Albert Quie proposed his Primary Grade Instructional Improvement Program, aimed at reducing class sizes in grades K-3.[8] This program was to be financed by

increasing the foundation program weights for students in the elementary grades.

Second, Minnesota's Maximum Effort School Aid Law, similar in structure to the Equalization Enrichment Allotment in Texas law, provides aid to districts on the basis of tax effort. The Minnesota law is aimed at low wealth districts, and is designed to assist them by providing funds so that they will not have to levy exorbitantly high property taxes. The state sets a ceiling on the allowable tax rate (16 mils on assessed value as of July, 1981), and if the rate a district must levy to meet its needs exceeds that rate, the state will provide the district with additional funding.[9]

This type of matching grant funding could be used in Texas by targeting low wealth districts, and placing a ceiling on the allowable debt service tax rate. If a district would have to raise its debt service rate above that ceiling, then the state could provide additional funding for school construction.

Maryland's School Construction Program[10]

A third alternative is a state system for financing facilities construction. In contrast to a program of matching grants which allows local districts to retain control over decisions, all funding decisions for school facilities in a centralized system are made at the state level. Besides Hawaii, which has a completely state-run education system, Maryland has perhaps the most comprehensive school facilities financing program in the country. The National Governors' Association, in its report on education, points to the Maryland State Public School Construction Program as a model of state financing for public school construction.[11]

As early as 1947, the state of Maryland recognized the cost of building school facilities as a part of its obligations to provide "a thorough and efficient system of Free Public Schools." This recognition, and the assumption of state responsibility resulted from the report of the Maryland Commission on the Distribution of Tax Revenues.[12] The report found that the state's lack of contribution to the financing of construction "has

resulted in a highly variable quality of school buildings in the state."[13]

A series of loan and grant programs for school facilities were developed and implemented between 1949 and 1970. In 1971, Maryland Governor Marvin Mandel announced a plan for a school construction program which was designed to provide local tax relief while continuing to allow local school districts to maintain substantial control over their local systems. This program had several basic purposes. The first was to relieve local property taxpayers and subdivisions of the high costs of school construction. Second, the program sought to even out the statewide financial impacts of needs for school facilities, and to equalize educational facilities and opportunities throughout the state. Finally, the program was intended to help address the backlog of construction, renovation, and replacement of facilities in the Maryland public schools.[14]

The Public School Construction Program is administered by the Interagency Committee on School Construction (hereafter, the Committee). The Committee is composed of the State Superintendent of Schools, the Secretary of the Department of State

Planning, and the Secretary of the Department of General Services.

At its creation in 1971, the program assumed all costs for all projects approved by the Committee and contracted after July 1, 1971, and assumed all local debt obligations for public school construction contracted prior to June 30, 1967. From 1971 to 1981 the program has financed over 700 construction projects at a cost of $1.4 billion.[15] Funds to pay for the Program are from General Fund Revenues and state property taxes.[16]

Funds are allocated to projects in a two-tier process which determines the eligibility of projects, and then sets priorities. In order to be eligible for state construction funds, a local board of education must prepare and submit an annual educational facilities master plan and a five-year capital improvements plan to the Committee. Upon reviewing all local plans and requests, the Committee informs each local board of the estimated amount of construction funds that will be available for the upcoming fiscal year.[17]

The approval of projects submitted by eligible school districts is based on priorities set by the Committee's administrative procedures. The six priority categories, in descending order are:[18]

1. Projects to construct new schools or additions to increase instructional space.
2. Projects to renovate buildings in use more than forty years with no significant increase in instructional space.
3. Projects to renovate buildings in use more than twenty-five years with no significant increase in instructional space.
4. Projects to renovate buildings in use 15-25 years with no significant increase in instructional space.
5. Projects to provide "limited use" additions.
6. Projects to provide less critical facilities such as swimming pools.

Clearly, not all requests can or should be funded by the state. Those requests that are not funded are given a classification code which is based on the likelihood of funding in the future. The program has funded nearly 800 programs to date, and as of 1985 another 116 were classified as expected to proceed within the next five years.[19]

Several characteristics of the Maryland system distinguish it from Texas. The Texas system of public schools is highly decentralized, especially where school facilities are concerned. The construction and financing of school buildings is

entirely a local responsibility in Texas. By contrast, the Maryland system of public education, and the Public School Construction Program in particular, rely on more highly centralized state powers. Furthermore, Maryland is a much smaller state than Texas, and its counties, rather than independent school districts, are responsible for the delivery of educational services.

While House Bill 72 did increase and centralize some of the State's powers in education, the construction of school facilities was not included in that centralization. In a state such as Texas where there is a long history of local control of education, a program such as the one in Maryland would raise many issues of state versus local control. Nonetheless, given the current level of need for school facilities, a program of state funding is an option which should be considered.

The U.S. Advisory Commission on Intergovernmental Relations has long advocated that states and the federal government should not implement new programs without providing adequate funding.[20] This has been the source of the problems associated with the maximum class size requirement in

Texas. The new law created costs which many school districts could not handle. The lack of any state assistance in paying for the new requirements has caused many districts to request exemptions. As a result, the law has not had the educational effect that was immediately intended.

The policies of other states provide examples of options which are available to Texas. Minnesota is a good example of a program of matching grants for financing school facilities, and the Maryland program is an excellent model of a state system of school facilities construction. The policies of these two states also provide some sound guidelines for Texas in establishing a funding program for the maximum class size requirement. A limited program, like the one in Minnesota provides a model for Texas, in part because equalization based on tax effort is already a component of education financing in Texas. The Maryland program, while a less tractable model, provides a great deal of information on how a state might establish a funding program. The guidelines and funding priorities of

the Maryland program provide a framework for establishing a hierarchy for construction projects in Texas.

CHAPTER FIVE
NOTES

1. National Governors' Association, Time For Results: Task Force on School Facilities. (Washington D.C.: National Governors' Association, August, 1986).

2. Ibid, p. 22.

3. Ibid, p. 22.

4. Education Council of the States (Boulder, Colorado, February, 1986).

5. National Governors' Association.

6. Education Council of the States.

7. Ibid.

8. Minnesota Department of Education, Office of the Commissioner.

9. MINNESOTA EDUCATION CODE, Sections 124.36-124.47, 1986.

10. Dr. Yale Stenzler, Executive Director of the Interagency Committee on Public School Construction for the State of Maryland provided me with an enormous amount of useful information from which this section was written.

11. Nation Governors' Association, p. 23.

12. State of Maryland, Task Force to Examine the Public School Construction Program, The 1985 Report of the Task Force to Examine the Public School Construction Program. (Annapolis, Maryland, November, 1985), p. 3.

13. Ibid.

14. State of Maryland, Interagency Committee on Public School Construction, The State of Maryland Public School Construction Program 1971-1981. (Baltimore, Maryland, June, 1982), p. 1.

15. Ibid, p. 9.

16. 1985 Report of the Task Force, p. 17.

17. Section 5-301e, Education Article, Annotated Code of Maryland, from the Maryland Register, Vol. 13, No. 23, November 7, 1986.

18. 1985 Report of the Task Force, p. 12.

19. Ibid, p. 30.

20. U. S. Advisory Commission on Intergovernmental Relations, State Legislative Program. (ACIR: Washington, D.C., 1970).

CHAPTER SIX

Policy Alternatives

The maximum class size requirement in Texas has created a shortage of facilities in many of the state's school districts. With one-fourth of the state's districts applying for waivers in 1985-1986, and two-thirds of the districts reporting that they have many classrooms with more than twenty-two students in the early grades, this is not a problem that will just go away.

School districts face several problems in dealing with the demands of the maximum class size requirement. The current law provides no flexibility for districts to design educationally sound options other than providing additional classrooms or to meet the requirement of lower pupil-teacher ratios in the early grades by means other than providing for additional classrooms.

The placement of teacher aides in classrooms, an option not provided for in the current law, would reduce the student-instructor ratio and in certain cases could be far less costly than building an additional classroom and hiring an additional teacher to accommodate as few as three or four

students. Adding teachers and classrooms is expensive. The Accountable Costs Report estimates the cost of a classroom at $59,000 and the cost of an additional teacher at approximately $24,000 per year.[1] Because so many districts need only one or two few rooms, debt financing is not a feasible option for them. The fixed costs of issuance are so high relative to the size of the issue, that debt financing would not be cost effective. In these instances, the entire cost of a classroom would have to come out of current operating expenses. This is neither a feasible nor an efficient way for districts to meet the maximum class size requirement.

There are other options. Changes in the law in order to grant the Commissioner of Education more flexibility to approve waivers for districts with alternative solutions would alleviate some problems in the short run. It would not, however, solve the problems for many districts which are currently in no position to finance additional facilities, and may not in fact have long-term needs for additional facilities. The State Board of Education, and some members of the Legislature, have

recognized these problems and have made recommendations for dealing with them.

Changes in the Maximum Class Size Requirement

Many of the districts experiencing difficulty in meeting the maximum class size requirement are small districts, most of whom need only one or two classrooms district-wide to come into compliance with the law. If the maximum class size were to be raised for small districts, a large portion of the current waivers would be unnecessary. The logic for lifting the ceiling only for small districts is based on the long-term usefulness of constructing additional facilities. In a small district, or one with a declining population, the construction of additional facilities may not be a wise use of funds. A classroom constructed for a few students now may sit empty in the near future, while property owners are still paying for it. For large districts, and those that are growing rapidly, the construction of additional facilities needed to meet a maximum class size of twenty-two is much more reasonable, and the costs could be spread over a much larger population, at a much smaller per student

cost. By adjusting the ceiling on classes on the basis of ADA, the original intent of the legislation remains intact, while the problems faced by smaller districts are alleviated.

There are both positive and negative aspects to relaxing the maximum class size requirement. The greatest benefits of this change would go to small districts and those with declining populations, which would be able to achieve substantial savings if they are not required to build additional facilities. Districts with declining populations will also benefit from not having to construct facilities that would go used in the near future. For larger districts, and those that have growing populations, the savings from a larger maximum class size would be less significant.

Relaxing the class size limit also has costs. The original intent of the legislation was to provide students with better educational opportunities through reduced class sizes in the early grades. Although the evidence on the effects of smaller classes is ambiguous, the legislative objective is clearly compromised if the ceiling on class size is raised. Even if aides are used to

reduce the student-instructor ratio, children are still being taught in larger classes.

The impetus for increasing the maximum class size limit is clearly financial. These are hard times in Texas, and school districts are not exempt from financial stress. With this in mind, legislators are looking for ways to address both the financial and educational concerns of school districts.

Legislative Proposals

Members of the 1987 Texas legislature have introduced changes to the current law in an effort to address problems faced by districts in implementing the maximum class size requirement. House Bill 392, introduced by Representative Grusendorf, amends Section 16.054(b) of the Texas Education Code to make the maximum class size requirement less restrictive in grades 3 and 4.[2] Under House Bill 72, the maximum class size requirement is not in effect for the last twelve weeks of the school year, and class sizes may exceed twenty-two students during that twelve-week period. House Bill 392 leaves this stipulation intact for grades K-2, but the requirement for grades

3 and 4 is changed. Under the amended version of the law, districts would be required to limit enrollment to twenty-two students in grades 3 and 4 only during the first two weeks of the school year. After that period, classes of more than twenty-two students would be allowed, provided that the increases in class size were due to growth in student population, and not reductions in the number of third and fourth grade classes.

While at first glance, it might appear that these changes relieve some of the burden on school districts to provide additional teachers and classrooms for third and fourth grades, this is not necessarily the case. Districts will still be required to maintain a class size of twenty-two at the beginning of the school year when enrollments are at their peak, and they will not be allowed to reduce the number of classes after that two-week period. While the bill may reduce the number of districts which must file for waivers after the second week of the school year, it does nothing to address the question of how districts are supposed to pay for the

additional classrooms and teachers that will be necessary to achieve the initial required class size.

Senate Bill 528, introduced by Senator Glasgow, makes significant changes in the law. For the first time, the term "class" is defined for the purposes of class size limitations to mean "a self-contained class in which a teacher remains with the same students for all or a major part of the school day."[3] The bill also makes changes in the requirements for maximum class size. The enrollment limit for grades K-2 is raised from twenty-two to twenty-four students beginning with the 1987-1988 school year, and for grades 3 and 4 it is raised from twenty-two to twenty-five students, beginning with the 1989-1990 school year. Furthermore, the law resurrects the concept of a district-wide average class size, stating that a district may have an average enrollment of no more than twenty-two students, from which it may receive a waiver, and allows districts to enroll more than the maximum number of students if an instructional aide is assigned to the class.

Senate Bill 1010, introduced by Senator Krier, also provides districts with the opportunity

to increase maximum class sizes in grades K-4 from twenty-two to twenty-five students by placing a full-time aide in the classroom.[4] This bill also sets standards for aides, something which SB 528 does not do. SB 1010 requires that before an aide is placed in a classroom, an individual "must have received inservice training for recognition of dyslexia, and any other inservice training required by the State Board of Education, and must have taken skills courses in reading, mathematics, and either growth and development or English language arts."[5]

The ability to relax the maximum class size requirement through the use of full-time aides may provide some financial relief to school districts needing only one or two additional classrooms. The cost of hiring an aide[6] will be substantially less than building an additional classroom and hiring an additional teachers. For districts needing only one or two rooms debt financing may not be a feasible option, and additional classrooms would have to be purchased out of current operating funds. In cases such as this use of an aide might be a very attractive option. Even though the cost of an aide

must be paid entirely by the district, it is far less than the price of a classroom.

A drawback associated with the use of aides is that they are not teachers. However, the provisions of SB 1010 requiring an aide to have a significant amount of training, combined with the savings factor, makes their use in small districts needing only a few classrooms an attractive option. For larger districts, and those needing a large number of classrooms, the use of aides could represent higher annual costs than the addition of classrooms and teachers. In these districts, the use of aides would represent an increase in current expenses, while additional classrooms could be financed through debt. The only way aides might be an economical choice for the larger districts would be to use them to provide temporary relief in the classrooms which exceed the maximum class size requirement.

The desire to use aides in the classrooms is indicative of another problem closely associated with the maximum class size problem--a shortage of available teachers. While not as severe a problem as facilities since only 72 districts requested waivers

for teachers compared to 256 requesting waivers for facilities in 1985-1986,[7] solving the facilities problem will increase the need for teachers, which will in turn increase local district costs. Thus, the use of aides could offset the costs of increased teacher salaries as well as the costs of construction.

All of these options involve relaxing the maximum class size requirement. Relaxing the requirement varies in its implications, depending on whether or not one feels that small reductions in class size do lead to more effective education. The evidence and class size literature do not present convincing arguments one way or the other, especially in the instances of small reductions. In light of this, it is arguable that relaxing the requirement and allowing districts to maintain slightly larger classes will alleviate many of the financial problems faced by districts without significant losses in educational achievement.

The savings to school districts under these changes, while not easily estimated, will be substantial. By enabling districts to hire aides, rather than additional teachers, and by eliminating

the need for districts to build classrooms to accommodate small numbers of students, these changes will allow district dollars to be used more effectively.

Options for State Financing of School Facilities

Options not yet presented in the form of legislation include the provision of state funding to offset districts' costs in acquiring additional facilities. The State Board of Education has proposed that additional funding be provided to districts to offset some of the costs associated with smaller class sizes in early grades. Currently, students in regular education programs in the elementary grades are funded on the basis of a weight of 1.0. In its 1987-1989 budget request, the Board has used an add-on weight of .2 for students in grades K-2, beginning in the 1987-1988 school year, and extending to grades 3 and 4 in the 1988-1989 school year. The effect of this add-on weight would be to raise the weight to 1.2 and to increase the basic allotment per student by 20 percent for students in the affected grades. These increases would amount to just over $17 million in additional funding for local districts in the

first year of the biennium, and $24.6 million in additional funding in the second year.[8] Unfortunately, the State Board's proposal still requires that local districts spend more than $100 million to implement the 22:1 requirement.

Another option, one not addressed by current law or proposed legislation is state funding for the construction of additional school facilities. Texas is one of only a dozen states in the country that provides no state funding for the construction of school facilities.[9] School facilities present a large problem for many school districts because they must finance construction completely on their own.

The greatest effect of the reductions in class size occurs in the first year of implementation. Because reductions in Texas are scheduled to occur over a period of several years, the effects will be spread out somewhat. However, as was pointed out in Chapter Four, estimates of classroom need based on the 1987 fall survey suggest that districts will need to construct approximately one extra year's supply of school facilities over the course of this period. For those school districts who need only one or two classrooms, the cost of

issuing debt for construction is so high relative to the amount of money needed for those classrooms, that the use of debt is not a feasible option. Districts who do not issue debt cannot spread the costs of acquisition out over the lifetime of the structure. Thus, it is possible that a one-time infusion of state monies could relieve many of the financial pressures that these small districts are feeling, and the state could finance this additional construction through the use of debt, thus lowering its costs.

This proposition has two major policy implications for the state. The first concerns the issue of state versus local control. Despite the fact that many districts would welcome the state's financial assistance, they would not welcome the associated state regulation and control. Second, there is a constitutional prohibition on state ad valorem taxes, thus the money would have to come from the state's general revenues.

Setting aside policy concerns for a moment, if funds were made available, they would have to be disbursed on the basis of need. There are models for a need-based funding formula in the current law, as in the Equalization Enrichment Allotment. A

facilities financing formula would need to take account of the wealth of the district, its current level of indebtedness, the number of students in the affected grades, the number of classrooms both available and needed, and the districts tax effort. By establishing a minimum qualifying tax rate, and a maximum qualifying level of district wealth, the state could insure the most equitable distribution of funds. Only those districts who demonstrated a commitment to education, in the form of a minimum tax rate, and real need, in the form of a maximum level of wealth, would qualify for construction assistance.

Matching grants, similar to those in the Minnesota School Loan Program could serve as one model for a financing formula. There is also a matching grant formula in Texas law which could be used as a model. The Equalization Enrichment Allotment, which awards additional funds to districts on the basis of district wealth and tax effort provides an excellent basis from which the Legislature and the State Board could work to develop a formula for the allotment of construction monies. The amount of aid a district receives under the

Equalization Enrichment program is determined by the following formula:[10]

$$EEA = 1 - \frac{DPV/ADA}{(SPV/ADA \times 1.10)} \times ADA \times MAXENT \times \frac{DTRT}{BTRT}$$

Where:
- DPV/ADA = District property value per ADA
- SPV/ADA = State property value per ADA
- MAXENT = Maximum entitlement per ADA
- DTRT/BTRT = The ratio of effective tax rate to the rate required for a district at 110% of SPV to raise its local share.

Using a formula such as this, and incorporating the tax effort needed to raise the necessary funds to service the debt used to build school facilities, funds could be allocated to districts in an equitable way based on both need and effort.

Matching grants are also valuable for their incentive value. By using a formula which rewards effort, the state will encourage districts to increase the amount of money they raise in order to receive more state money. Through the use of matching grants a larger total sum of money will be available for districts to spend on school construction. A matching grant system based on tax effort also possess the best characteristics of a power equalizing scheme. Using matching grants the

ability to construct quality buildings becomes a function of tax effort rather than tax base.

The alternative to a one-time infusion of state funds would be to establish an on-going funding mechanism for the construction of school facilities. This too, could be done with a system of matching grants as is done is Minnesota, or as described above, or with a more comprehensive program, like the one in Maryland. As was noted in Chapter Five, the Maryland system for financing facilities is smaller and much more centralized than the current system in Texas, and a move towards state funding might raise questions about local control. This is not to say that a program of state funding for school facilities is not an option for Texas.

Loss of local control, an increased state financial burden, and questions of administration are the biggest concerns that a state school facilities program would create. The issue of local control is the least of these concerns. Maryland has been quite successful in maintaining local authority over educational issues while financing school construction. Financing and administration present larger problems. Current state fiscal problems make

it unlikely that funds for such a program would be available in the near future. Even if funding were available, administering this program to 1,063 independent school districts would be a major undertaking.

Despite possible difficulties of funding and administration, a statewide system of financing for school facilities has benefits which make it worth considering. Such a system would provide substantial relief to local property tax payers and could serve to equalize costs for property-rich and property-poor districts. The state would also be able to use its credit to get better bond ratings and lower interest rates than some districts. Finally, the state could consolidate small projects (such as single classrooms) and finance them with debt, something the districts alone cannot do.

An examination of the changes that would be required, either in the Maryland program, or in Texas law, to provide a statewide system are beyond the scope of this report. Furthermore, it is not clear that an on-going system is necessary to meet the facilities needs of the maximum class size requirement. The provision of state funds for the

purpose of meeting the state-imposed class size maximums would go a long way toward alleviating the problem currently facing many school districts.

Because it is difficult for some small districts to finance new construction through the use of debt, the costs of implementing the maximum class size requirement, as it currently stands, are prohibitively high for many districts. Furthermore, the evidence on the effectiveness of reducing class sizes by two or three students is ambiguous. Thus, the question facing the people of Texas is: Are the proposed reductions in class size the most effective way to spend the limited educational dollars available to the state? In light of the current resistance to the taxes that would be necessary to increase revenues, the answer is likely to be no, and this sentiment is reflected in the proposed changes in the current law. As the law stands, many districts are unable to meet its requirements, and in those districts it is having little effect.

Because of the maximum class size requirement, the Texas Education Agency (TEA) has a new and more direct interest in the long-range building plans of school districts, yet it has no way

to review these plans in order to make sure that construction to reduce class size is a priority in the district. If the legislature wants to maintain the maximum class size requirement, and wants it to be effectively implemented, it must do two things. First, it must provide TEA with some leverage to see to it that districts are making the 22:1 ratio a priority. Districts need to provide the agency with a multi-year capital improvements plans, similar to the one used in Maryland. Facilities to meet the maximum class size requirement need to be at the top of the list. If districts fail to submit a suitable plan, or simply ignore the state's request, then TEA needs to have the means to induce these districts to conform. There are various actions the agency could take. It could withhold waivers, and thus accredited status, from those districts who do not make 22:1 a construction priority. Alternatively, if TEA opted to take a stronger stance, funding could be withheld from districts which failed to address the facilities needs of the maximum class size requirement. In either case, these actions would ensure that districts are complying with the law and placing

facilities construction to reduce class size at the top of their building agenda.

The second thing the legislature might do is provide some financial assistance to school districts. Whether it chooses to do this through the use of additional student weights, through an equalization program and matching grants, or through the use of some other mechanism, funding of some sort is imperative if reductions in class size are to be achieved.

Furthermore, if the state is not willing to commit the necessary funds to implement the program, then it must be willing to accept class sizes larger than those currently being mandated. Given the cost of implementation, and the unwillingness of the Legislature to raise taxes, this may be the pragmatic path to follow. Based on the class-size literature, it is not clear that a relaxation of the requirement would result in serious educational setbacks for Texas, especially since many districts have failed to reduce class sizes over the past school year.

The maximum class size requirement, while only one of the provisions of House Bill 72, provides a clear example of what will be necessary if

education in Texas is to be truly reformed. While money in and of itself cannot create educational opportunity, it represents a commitment to reform, and without it change cannot occur.

CHAPTER SIX
NOTES

1. Texas Education Agency, The 1985-1986 Accountable Cost Study and Recommendations of the Accountable Costs Committee to the State Board of Education, (Austin, October 1986).

2. Ibid.

3. Ibid.

4. Texas Legislature, 70th Regular Session, 1987.

5. Ibid.

6. Texas Education Agency, Personnel Roster. The average salary for a teacher aide in the 1985-1986 school year was $9,284.

7. The 1985-1986 Accountable Cost Study, p. 39.

8. Texas Education Agency, Office of the Deputy Commissioner for Research and Information (Austin, Texas).

9. Education Council of the States (Boulder, Colorado February, 1986).

10. TEXAS EDUCATION CODE, Section 16.157 (Vernon 1986).

APPENDICES

Appendix A

Property Value, Effective Tax Rates, and State Aid Per Pupil
1985 Cerified SPTB Values and Current State Aid
For Districts with Waivers in the 1985-1986 School Year

County District Number	Number of Rooms	REFINED ADA	----Wealth---- Property Value Per ADA	I & S Effective Tax Rate	Debt per ADA	Debt as pct of Wealth	Total Effective Tax Rate
014909	7	7,540	189,885	0.080090	0	0.000	0.71249
047902	1	891	158,623	0.020002	0	0.000	0.40005
214903	11	3,955	41,947	0.085588	0	0.000	0.69884
089902	3	384	223,519	0.183489	1,204	0.538	0.83358
139905	4	522	187,989	0.000000	1,028	0.548	0.45428
175911	2	177	105,038	0.183814	828	0.598	0.84533
172902	3	2,087	448,615	0.018198	2,783	0.625	0.58093
072908	1	153	302,022	0.000000	1,955	0.647	0.78080
250904	2	975	351,984	0.029044	2,288	0.653	0.64092
107910	1	402	771,945	0.000000	5,371	0.698	0.48588
158904	2	152	583,618	0.000000	4,170	0.740	0.70730
208902	1	3,589	563,011	0.000000	4,203	0.748	0.51571
043905	2	1,182	483,618	0.183170	3,617	0.781	0.52918
204901	6	1,585	304,280	0.081214	2,510	0.824	0.64888
031909	1	1,833	539,483	0.081273	4,577	0.848	0.51750
005904	1	288	137,330	0.000000	1,244	0.906	0.78079
227901	20	58,452	421,727	0.078992	3,828	0.931	0.59422
075901	5	458	345,445	0.071623	3,234	0.936	0.57870
046902	7	10,650	413,273	0.021674	3,884	0.940	0.81483
081904	2	4,934	298,287	0.180874	2,997	1.005	0.80852
220916	1	1,078	341,079	0.028421	3,771	1.106	0.50211
174902	21	16,087	277,904	0.078736	3,119	1.122	0.58884
220901	3	615	208,783	0.037683	2,354	1.139	0.53507
049907	48	36,108	351,399	0.083318	4,058	1.154	0.83385
099902	1	312	175,813	0.027573	2,072	1.178	0.43280
235902	1	316	504,143	0.097301	6,078	1.206	0.83673
227907	18	12,659	217,888	0.052709	2,666	1.224	0.68414
220908	2	1,098	310,510	0.203282	3,849	1.240	0.86743
018907	8	5,401	384,088	0.129908	4,783	1.245	0.80479
010902	1	183	278,801	0.000000	3,471	1.246	0.40491
220905	3	1,158	295,380	0.101252	3,708	1.255	0.59380
128904	18	61,021	250,107	0.058937	3,173	1.269	0.49227
101902	2	278	171,839	0.000000	2,180	1.270	0.83712
034907	18	33,435	248,994	0.083610	3,189	1.283	0.54865
	3	1,155	278,194	0.126007	3,582	1.288	0.58883

Source: Texas Education Agency

Appendix A

Property Value, Effective Tax Rates, and State Aid Per Pupil
1985 Cerified SPTB Values and Current State Aid
For Districts with Waivers in the 1985-1986 School Year

County District Number	Number of Rooms	REFINED ADA	----Wealth---- Property Value Per ADA	I & S Effective Tax Rate	Debt per ADA	Debt as pct of Wealth	Total Effective Tax Rate
178904	28	37,092	157,181	0.088180	2,044	1.300	0.88522
228903	5	988	210,895	0.430917	2,744	1.301	0.94802
098901	1	520	439,828	0.115618	5,778	1.313	0.78803
192901	1	1,262	533,328	0.028182	7,003	1.313	0.58834
234906	1	1,668	246,436	0.032818	3,388	1.375	0.57951
231902	1	552	798,334	0.084456	11050	1.384	0.80592
174904	1	4,879	196,152	0.070783	2,747	1.400	0.53072
095901	1	873	353,409	0.000000	4,984	1.410	0.79211
118906	2	406	125,999	0.458226	1,790	1.420	0.70982
243908	5	873	130,868	0.026706	1,898	1.452	0.58845
170904	2	2,223	290,503	0.175127	4,272	1.471	0.84228
075903	2	844	207,563	0.091636	3,112	1.500	0.82949
001906	1	241	307,743	0.000000	4,695	1.526	0.92744
107905	1	803	438,480	0.123830	6,790	1.548	0.83749
178905	2	220	394,877	0.000000	6,187	1.562	0.73048
086901	31	24,231	241,275	0.045125	3,792	1.572	0.78528
092903	1	8,033	219,358	0.084945	3,453	1.574	0.63089
120902	1	610	267,246	0.081119	4,273	1.599	0.75223
220918	2	3,879	337,152	0.108133	5,398	1.600	0.53898
242902	2	508	338,193	0.080578	5,431	1.606	0.74558
145911	3	618	488,188	0.080511	7,524	1.607	0.38382
092902	1	3,377	193,460	0.086648	3,128	1.617	0.77476
181925	1	138	90,133	0.000000	1,481	1.621	0.42973
122910	7	18,278	255,703	0.000000	4,257	1.665	0.79151
226906	3	889	159,244	0.049925	2,690	1.689	0.47209
080901	1	1,088	284,939	0.176308	4,857	1.705	0.68057
101910	7	12,375	186,361	0.026758	3,190	1.712	0.74030
061901	1	8,854	231,187	0.176852	3,987	1.725	0.71583
067903	4	940	225,155	0.105139	3,900	1.732	0.80893
079901	8	10,206	285,493	0.210138	4,970	1.741	0.98383
187904	4	1,181	177,139	0.232143	3,122	1.763	0.77381
027903	8	1,951	200,142	0.119334	3,551	1.774	0.59867
061906	1	305	147,590	0.030239	2,621	1.778	0.75598
013905	1	548	157,482	0.058648	2,823	1.792	0.67027
226903	12	13,611	145,583	0.101558	2,614	1.796	0.58080

Source: Texas Education Agency

Appendix A

Property Value, Effective Tax Rates, and State Aid Per Pupil
1985 Cerified SPTB Values and Current State Aid
For Districts with Waivers in the 1985-1986 School Year

County District Number	Number of Rooms	REFINED ADA	----Wealth---- Property Value Per ADA	I & S Effective Tax Rate	Debt per ADA	Debt as pct of Wealth	Total Effective Tax Rate
128909	1	179	181,096	0.202378	2,907	1.804	0.80373
207901	1	718	369,110	0.159401	6,685	1.808	0.88120
015915	32	39,547	219,809	0.155192	3,984	1.813	0.51740
112908	1	284	315,094	0.183879	5,732	1.819	0.83850
200901	5	1,049	174,011	0.057187	3,189	1.821	0.55528
202905	1	584	131,205	0.047177	2,405	1.833	0.46058
180901	2	1,199	157,828	0.218883	2,922	1.852	0.83711
241903	4	3,269	181,298	0.043947	3,405	1.878	0.98781
148905	1	798	217,172	0.000000	4,094	1.885	0.98478
019911	1	183	138,896	0.100582	2,627	1.895	0.37711
220915	3	4,072	140,289	0.205443	2,684	1.900	0.45830
161923	1	256	189,822	0.104571	3,248	1.912	0.80477
247901	3	1,980	118,721	0.000000	2,232	1.912	0.27971
108904	25	12,178	138,812	0.057380	2,677	1.932	0.52431
148904	1	993	145,472	0.028482	2,813	1.934	1.07895
244903	3	2,730	171,183	0.114037	3,318	1.939	0.82278
230908	3	818	197,985	0.334918	3,858	1.949	0.90242
109904	3	1,518	122,458	0.245302	2,395	1.955	0.84302
127904	3	593	84,501	0.040838	1,683	1.989	0.85781
182903	5	3,329	118,488	0.055801	2,303	1.978	0.89800
250903	1	1,401	180,932	0.303000	3,204	1.991	0.87832
034901	4	1,948	148,944	0.074732	2,947	2.008	0.98883
048901	1	360	208,187	0.000000	4,213	2.024	0.48187
139911	8	2,254	115,397	0.095880	2,338	2.027	0.81348
173901	1	241	191,878	0.183738	3,889	2.032	0.78557
072902	1	772	141,839	0.238481	2,887	2.036	0.85817
030901	1	452	205,891	0.108725	4,229	2.056	0.41888
019907	9	5,283	143,475	0.301374	2,985	2.068	0.75360
154901	2	1,873	193,018	0.085483	4,002	2.073	0.59838
011904	3	1,314	153,322	0.187478	3,251	2.121	0.88817
109911	2	886	117,807	0.384881	2,503	2.124	0.87482
028902	1	3,058	101,309	0.256783	2,157	2.129	0.80248
230901	4	580	151,774	0.148232	3,237	2.133	1.00058
227904	7	4,105	221,298	0.353447	4,728	2.136	0.88223
220912	3	3,314	309,914	0.240048	6,702	2.163	0.84525

Source: Texas Education Agency

Appendix A

Property Value, Effective Tax Rates, and State Aid Per Pupil
1985 Cerified SPTB Values and Current State Aid
For Districts with Waivers in the 1985-1986 School Year

County District Number	Number of Rooms	REFINED ADA	----Wealth---- Property Value Per ADA	I & S Effective Tax Rate	Debt per ADA	Debt as pct of Wealth	Total Effective Tax Rate
091903	4	4,532	117,425	0.267445	2,559	2.180	0.87379
154903	2	218	328,874	0.134885	7,135	2.183	0.89011
102905	1	502	193,049	0.119407	4,223	2.187	0.81595
102902	81	8,158	214,702	0.072781	4,897	2.188	0.57004
238901	4	868	103,585	0.073439	2,293	2.214	0.87310
220907	4	4,954	213,191	0.279729	4,770	2.237	0.81835
070908	3	2,352	220,994	0.212985	4,961	2.245	0.77821
248902	8	518	117,993	0.580462	2,653	2.248	0.99846
188901	40	24,729	180,573	0.082351	3,823	2.256	0.73367
133903	3	3,513	261,181	0.102565	5,892	2.256	0.54548
211902	2	538	394,741	0.000000	8,908	2.257	0.70464
117901	4	2,809	188,788	0.000000	4,265	2.259	0.88273
187907	4	2,923	183,947	0.156782	3,712	2.284	0.83899
083901	3	719	165,905	0.125374	3,791	2.285	0.75225
181918	3	811	59,445	0.080821	1,360	2.288	0.54779
199902	1	991	104,877	0.481831	2,403	2.291	0.87407
198903	1	644	344,384	0.253875	7,929	2.302	0.88955
201913	1	338	242,948	0.045871	5,614	2.311	0.85320
196902	1	735	178,385	0.043058	4,078	2.311	0.99898
249908	1	190	247,991	0.013386	5,798	2.321	0.85282
043907	8	4,113	230,948	0.298567	5,389	2.325	0.77495
057908	3	4,814	187,249	0.328524	3,910	2.338	0.85878
126903	1	4,838	159,985	0.074552	3,781	2.351	0.68894
084902	8	9,018	283,190	0.058103	6,193	2.353	0.78777
220904	8	3,213	178,024	0.278881	4,187	2.367	0.98904
189901	1	1,893	138,936	0.041543	3,329	2.398	0.62315
184903	3	4,510	140,482	0.118362	3,380	2.408	0.57313
107907	1	244	184,182	0.094682	4,507	2.447	0.98548
117903	3	1,193	149,486	0.163981	3,668	2.453	0.86306
181921	2	1,998	87,371	0.080397	2,170	2.484	0.48381
241902	2	842	174,077	0.135282	4,349	2.498	1.00480
003902	1	1,493	88,581	0.111870	2,227	2.515	0.44171
152906	3	1,218	95,331	0.140245	2,412	2.530	0.88017
145907	2	351	228,808	0.190250	5,794	2.555	0.78780
031903	1	12,487	94,655	0.143397	2,420	2.556	0.58604

Source: Texas Education Agency

Appendix A

Property Value, Effective Tax Rates, and State Aid Per Pupil
1985 Cerified SPTB Values and Current State Aid
For Districts with Waivers in the 1985-1986 School Year

County District Number	Number of Rooms	REFINED ADA	----Wealth---- Property Value Per ADA	I & S Effective Tax Rate	Debt per ADA	Debt as pct of Wealth	Total Effective Tax Rate
234903	1	708	138,241	0.000000	3,555	2.572	0.54450
032902	3	1,892	135,026	0.085293	3,491	2.585	0.48332
243905	40	13,556	181,988	0.171502	4,193	2.589	0.82814
236902	2	5,817	139,847	0.186337	3,639	2.602	1.01884
015917	4	2,179	86,224	0.707111	1,728	2.608	1.10167
230902	3	2,090	143,308	0.178858	3,748	2.615	0.86089
178914	5	4,395	215,535	0.097030	5,657	2.625	0.75941
141901	3	2,161	107,509	0.081097	2,834	2.636	0.70048
194904	3	1,821	88,194	0.051082	2,333	2.645	0.65554
037904	1	3,668	140,733	0.083596	3,723	2.646	0.86041
148901	10	2,602	107,548	0.088897	2,874	2.673	0.97788
078901	1	349	251,443	0.000000	6,726	2.675	0.59484
030902	2	1,213	132,809	0.209929	3,554	2.678	0.86805
084909	3	3,425	122,101	0.278362	3,274	2.681	0.97427
129902	3	1,256	140,020	0.359712	3,770	2.693	0.89029
194902	3	350	72,326	0.141778	1,953	2.701	0.43900
139909	5	4,069	121,850	0.146550	3,291	2.701	0.60311
246904	3	4,609	178,068	0.237878	4,795	2.723	0.84101
057914	7	19,553	149,178	0.272743	4,070	2.729	0.82731
249902	1	852	131,544	0.152088	3,584	2.732	0.78778
205907	4	1,811	135,310	0.085269	3,698	2.733	0.95591
009901	2	1,603	109,749	0.000000	3,011	2.743	0.78833
134901	1	753	154,984	0.149285	4,252	2.744	0.79872
201904	3	262	250,052	0.045104	6,873	2.749	1.33510
096905	1	315	130,609	0.124348	3,590	2.749	0.86061
015911	10	5,014	113,982	0.213021	3,153	2.766	0.58990
161912	2	410	84,813	0.000000	2,348	2.769	0.63868
022901	1	1,070	140,508	0.081052	3,904	2.778	0.71514
082903	1	2,441	82,545	0.079009	2,295	2.781	0.99220
184908	1	401	108,875	0.302808	3,038	2.843	0.85798
091910	2	494	102,081	0.107410	2,918	2.857	0.62783
037908	3	238	94,825	0.408195	2,716	2.864	0.82755
041901	3	313	170,903	0.000000	4,880	2.914	1.01328
028903	2	1,310	140,283	0.188474	4,105	2.929	0.83489
061902	4	14,181	194,343	0.305308	5,823	2.996	0.84408

Source: Texas Education Agency

Appendix A

Property Value, Effective Tax Rates, and State Aid Per Pupil
1985 Cerified SPTB Values and Current State Aid
For Districts with Waivers in the 1985-1986 School Year

County District Number	Number of Rooms	REFINED ADA	----Wealth---- Property Value Per ADA	I & S Effective Tax Rate	Debt per ADA	Debt as pct of Wealth	Total Effective Tax Rate
061911	10	2,725	154,992	0.338135	4,878	3.017	1.21382
101908	2	2,038	175,998	0.191188	5,398	3.068	0.79206
089903	3	889	94,669	0.024382	2,903	3.067	0.75588
057913	4	3,526	200,759	0.294500	6,169	3.073	0.88403
082901	1	1,728	104,998	0.108888	3,239	3.084	0.90853
237904	1	2,442	227,303	0.286904	7,026	3.091	0.98533
205908	10	2,247	103,080	0.048845	3,188	3.121	0.96690
205905	1	1,229	99,544	0.072089	3,138	3.150	0.99094
147903	3	2,090	108,985	0.197888	3,502	3.214	0.63862
038901	15	1,121	105,082	0.052212	3,383	3.220	0.59670
104901	1	887	104,944	0.080905	3,383	3.224	0.74341
189902	3	721	85,174	0.036204	2,104	3.228	0.38377
229903	3	1,704	148,948	0.116182	4,819	3.235	0.70423
183904	3	1,884	93,208	0.248319	3,019	3.240	0.54385
153907	1	253	104,980	0.000000	8,334	3.249	0.81495
019909	2	804	77,853	0.080017	2,534	3.256	0.48233
126907	1	558	101,398	0.434508	3,321	3.275	0.71602
074912	3	289	121,795	0.524984	3,998	3.281	0.98200
071905	49	44,035	81,477	0.241277	2,688	3.300	0.69081
178903	3	3,871	232,188	0.271858	7,752	3.339	0.97668
181918	3	1,088	117,071	0.182842	3,931	3.358	0.58025
212910	1	776	237,488	0.236110	8,181	3.448	0.85654
212903	4	2,013	155,017	0.330308	4,335	3.487	0.65440
116908	3	2,313	95,810	0.180298	3,357	3.517	0.80845
152909	1	874	78,237	0.115878	2,802	3.535	0.75115
091918	3	908	82,951	0.143817	2,928	3.537	0.80275
232902	3	568	108,882	0.209708	3,777	3.541	0.77768
203901	1	1,182	83,418	0.071318	3,010	3.608	0.61245
043918	1	767	88,357	0.250524	3,122	3.624	0.69540
129903	1	2,058	85,730	0.180288	3,478	3.633	0.85348
181907	15	5,881	97,548	0.292731	3,570	3.660	0.97828
015908	8	1,881	73,833	0.584388	2,823	3.673	0.88898
031908	10	3,738	78,974	0.191081	2,901	3.673	0.55374
058906	8	3,880	110,188	0.214342	4,381	3.883	0.63837
091902	1	351	107,174	0.137482	3,988	3.719	0.72070

Source: Texas Education Agency

Appendix A

Property Value, Effective Tax Rates, and State Aid Per Pupil
1985 Cerified SPTB Values and Current State Aid
For Districts with Waivers in the 1985-1986 School Year

County District Number	Number of Rooms	REFINED ADA	----Wealth---- Property Value Per ADA	I & S Effective Tax Rate	Debt per ADA	Debt as pct of Wealth	Total Effective Tax Rate
035901	1	1,884	126,745	0.088196	4,738	3.739	0.81216
079908	1	1,581	142,708	0.260234	5,343	3.744	0.74600
250908	6	505	113,394	0.242512	4,288	3.782	0.78951
031914	3	959	37,478	0.088581	1,414	3.772	0.68651
229901	3	393	188,997	0.083689	6,378	3.775	0.81178
194905	1	369	86,228	0.100873	3,282	3.784	0.69771
050910	6	4,938	78,550	0.240018	2,921	3.818	0.81543
014910	2	892	81,087	0.228564	3,097	3.819	0.80350
174908	2	515	90,866	0.334784	3,484	3.833	0.55343
121905	3	1,413	106,061	0.155432	4,090	3.856	0.82173
061905	3	597	118,795	0.292488	4,652	3.918	0.76047
073903	2	1,849	79,882	0.018427	3,186	3.963	0.84495
113905	1	280	203,548	0.198549	8,200	4.028	0.68685
071909	27	7,470	69,770	0.330579	2,814	4.033	0.81746
214901	17	5,309	57,188	0.180042	2,320	4.056	1.18157
188902	3	1,201	84,879	0.159282	3,460	4.078	0.81079
152907	4	3,002	97,825	0.359988	3,988	4.078	0.77492
019912	3	1,838	106,842	0.393858	4,349	4.079	0.83166
071901	2	1,595	119,396	0.384370	4,870	4.079	1.07951
126904	1	832	115,507	0.292002	4,714	4.081	0.75758
185904	1	272	183,221	0.178392	8,888	4.087	1.03690
034909	1	234	104,263	0.189102	4,389	4.191	0.48194
014908	35	17,044	74,893	0.079525	3,156	4.214	0.39344
129910	1	808	74,490	0.345695	3,181	4.243	0.89480
240901	18	21,520	50,828	0.150240	2,172	4.272	0.34602
050902	5	1,880	102,187	0.207129	4,388	4.295	0.80482
071907	3	2,730	82,759	0.316972	3,584	4.331	0.55432
076903	1	345	121,202	0.108932	5,324	4.392	0.78087
031911	2	1,505	55,157	0.111254	2,471	4.480	0.78672
126901	5	1,708	98,085	0.422294	4,328	4.504	0.72393
015908	34	10,369	50,538	0.202602	2,398	4.741	0.68885
108914	3	589	89,931	0.426198	4,322	4.806	0.79293
161907	4	848	87,659	0.382759	4,282	4.885	0.74685
125903	1	1,095	77,636	0.217780	3,930	5.063	0.68138
108902	9	5,914	48,505	0.194979	2,485	5.083	0.65584

Source: Texas Education Agency

Appendix A

Property Value, Effective Tax Rates, and State Aid Per Pupil
1985 Cerified SPTB Values and Current State Aid
For Districts with Waivers in the 1985-1986 School Year

County District Number	Number of Rooms	REFINED ADA	----Wealth---- Property Value Per ADA	I & S Effective Tax Rate	Debt per ADA	Debt as pct of Wealth	Total Effective Tax Rate
049901	3	2,588	182,183	0.024489	8,340	5.142	0.66120
127906	2	820	101,522	0.252446	5,513	5.430	1.00108
071903	2	1,782	40,857	0.077909	2,238	5.478	0.80507
019903	2	412	58,228	0.212761	3,450	5.925	0.82126
015912	1	6,020	59,092	0.412865	3,589	6.073	0.80034
200902	2	369	99,344	0.638532	6,349	6.391	1.24616
108908	99	8,000	41,082	0.255469	2,888	7.029	0.72383
071904	1	820	38,202	0.485664	2,697	7.061	1.07377
230908	2	662	84,454	0.311030	5,172	8.025	0.84281
178909	5	4,287	80,105	0.352147	5,493	8.139	0.66882
019902	3	992	50,377	0.116429	4,753	9.435	0.50452

Source: Texas Education Agency

Appendix B

Districts With ADA Less Than 5,000
Requesting 1 to 5 Rooms

COUNTY DISTRICT NUMBER	NAME	REFINED ADA	NUMBER OF ROOMS REQUESTED
161925	GHOLSON ISD	110.050	1
072908	HUCKABAY ISD	110.375	1
175911	RICE ISD	131.850	2
158904	MATAGORDA ISD	141.250	2
018907	KOPPERL ISD	160.562	1
249908	SLIDELL ISD	161.787	1
126909	LILLIAN ISD	164.012	1
161923	BOSQUEVILLE ISD	194.100	1
019911	RED LICK ISD	197.412	1
154903	NORTH ZULCH ISD	201.300	2
178905	DRISCOLL ISD	202.137	2
001908	NECHES ISD	223.350	1
173901	MOTLEY COUNTY ISD	227.918	1
034909	BLOOMBURG ISD	230.787	1
107907	TRINIDAD ISD	239.200	1
037908	NEW SUMMERFIELD ISD	246.712	3
201904	LEVERETTS CHAPEL ISD	247.925	3
112908	NORTH HOPKINS ISD	256.700	1
113905	LATEXO ISD	258.900	1
128904	FALLS CITY ISD	258.925	2
153907	WILSON ISD	262.050	1
185904	LAZBUDDIE ISD	274.437	1
145907	OAKWOOD ISD	275.450	2
005904	WINDTHORST ISD	278.657	1
074912	TRENTON ISD	300.437	2
061908	PONDER ISD	302.850	1
049907	LINDSAY ISD	306.362	1
099902	CHILLICOTHE ISD	309.337	1
096905	TURKEY-QUITAQUE ISD	316.625	1
061902	COLLINSVILLE ISD	327.937	1
201913	CARLISLE ISD	333.150	1
041901	BRONTE ISD	334.050	3
069902	NUECES CANYON ISD	342.887	3
184902	AVERY ISD	346.100	3
078903	ROBY ISD	348.850	1

Source: Texas Education Agency

Appendix B

Districts With ADA Less Than 5,000
Requesting 1 to 5 Rooms

COUNTY DISTRICT NUMBER	NAME	REFINED ADA	NUMBER OF ROOMS REQUESTED
078901	CROWELL ISD	353.300	1
200902	MILES ISD	381.450	2
194905	DETROIT ISD	373.500	1
116906	LONE OAK ISD	375.500	2
229901	COLMESNEIL ISD	385.200	3
184908	PEASTER ISD	388.737	1
048901	EDEN CONS ISD	398.150	1
107910	LA POYNOR ISD	408.850	1
019903	MAUD ISD	428.725	2
181912	RIESEL ISD	432.325	2
030901	CROSS PLAINS ISD	450.287	1
081910	WHITEWRIGHT ISD	451.212	2
075901	FLATONIA ISD	462.100	5
019909	SIMMS ISD	477.950	2
174906	WODEN ISD	492.475	2
102905	HARLETON ISD	493.050	1
242902	SHAMROCK ISD	495.225	2
128907	RIO VISTA ISD	505.575	1
181918	AXTELL ISD	508.750	3
081905	KRUM ISD	513.325	3
098901	GRUVER ISD	518.300	1
231902	RANKIN ISD	522.000	1
129910	SCURRY-ROSSER ISD	537.037	1
013905	SKIDMORE-TYNAN ISD	543.200	1
108914	LA VILLA ISD	544.112	3
211902	STRATFORD ISD	544.275	2
139905	DELMAR-WEST LAMAR CONS ISD	547.075	4
232902	SABINAL ISD	549.200	2
202905	WEST SABINE ISD	558.875	1
127904	HAWLEY ISD	561.600	3
091918	TOM BEAN ISD	570.150	3
230901	BIG SANDY ISD	583.525	4
120902	GANADO ISD	598.700	1
230908	NEW DIANA ISD	600.525	2
174903	GARRISON ISD	601.050	3

Source: Texas Education Agency

Appendix B

Districts With ADA Less Than 5,000 Requesting 1 to 5 Rooms

COUNTY DISTRICT NUMBER	NAME	REFINED ADA	NUMBER OF ROOMS REQUESTED
145911	LEON ISD	809.600	3
198902	FRANKLIN ISD	813.490	1
230908	UNION GROVE ISD	814.987	3
075903	SCHULENBURG ISD	625.707	2
126904	GRANDVIEW ISD	635.075	1
243908	CITY VIEW ISD	650.825	5
226906	WALL ISD	652.050	3
236901	NEW WAVERLY ISD	655.850	4
104901	HASKELL ISD	662.450	1
234903	EDGEWOOD ISD	664.737	1
207901	SCHLEICHER ISD	669.975	1
047902	DE LEON ISD	675.500	1
071904	SAN ELIZARIO ISD	706.450	1
043918	COMMUNITY ISD	721.387	1
196902	WOODSBORO ISD	736.527	1
189902	PRESIDIO ISD	737.150	3
212910	WINONA ISD	737.500	1
134901	JUNCTION ISD	744.200	1
072902	DUBLIN ISD	748.387	1
083901	SEAGRAVES ISD	751.150	3
107906	EUSTACE ISD	780.500	1
127906	STAMFORD ISD	806.400	2
146906	HULL-DAISETTA ISD	808.775	1
181907	LORENA ISD	814.450	4
241902	EAST BERNARD ISD	823.387	3
249902	BOYD ISD	840.775	1
109911	WHITNEY ISD	844.737	2
014910	TROY ISD	858.400	3
089903	NIXON-SMILEY ISD	868.700	3
095901	ABERNATHY ISD	879.425	1
199902	ROYSE CITY ISD	889.275	1
226903	TRINITY ISD	889.700	5
067903	EASTLAND ISD	893.050	4
152909	SHALLOWATER ISD	897.400	1
250904	QUITMAN ISD	910.700	2

Source: Texas Education Agency

Appendix B

Districts With ADA Less Than 5,000 Requesting 1 to 5 Rooms

COUNTY DISTRICT NUMBER	NAME	REFINED ADA	NUMBER OF ROOMS REQUESTED
146904	HARDIN ISD	935.81	1
031914	SANTA ROSA ISD	946.37	3
161918	WEST ISD	970.95	2
227907	MANOR ISD	1021.79	2
019902	HOOKS ISD	1024.00	3
081904	TEAGUE ISD	1027.20	1
200901	BALLINGER ISD	1074.50	5
080901	MOUNT VERNON ISD	1078.50	1
043905	FRISCO ISD	1079.11	2
125903	ORANGE GROVE ISD	1091.80	1
187904	CORRIGAN-CAMDEN ISD	1097.30	4
022901	ALPINE ISD	1100.05	1
034907	QUEEN CITY ISD	1152.40	3
188902	RIVER ROAD ISD	1157.74	3
117903	SANFORD ISD	1161.58	3
010902	BANDERA ISD	1166.72	3
203901	SAN AUGUSTINE ISD	1167.52	1
152906	LUBBOCK-COOPER ISD	1175.87	3
129902	FORNEY ISD	1192.52	3
192901	REAGAN ISD	1210.62	1
205905	ODEM-EDROY ISD	1212.10	1
180901	BRADY ISD	1237.24	2
030902	CLYDE ISD	1240.12	2
011904	SMITHVILLE ISD	1287.40	3
028903	LULING ISD	1308.17	2
250903	NINEOLA ISD	1351.08	1
071901	CLINT ISD	1375.25	2
031911	RIO HONDO ISD	1484.65	2
003902	HUDSON ISD	1498.67	1
121905	KIRBYVILLE ISD	1509.50	3
079908	NEEDVILLE ISD	1561.51	1
108904	HILLSBORO ISD	1569.00	3
234908	VAN ISD	1577.77	1
009901	MULESHOE ISD	1606.74	2
126901	ALVARADO ISD	1610.95	5

Source: Texas Education Agency

Appendix B

Districts With ADA Less Than 5,000 Requesting 1 to 5 Rooms

COUNTY DISTRICT NUMBER	NAME	REFINED ADA	NUMBER OF ROOMS REQUESTED
205907	TAFT ISD	1832.90	4
073903	MARLIN ISD	1850.70	2
194904	CLARKSVILLE ISD	1860.35	3
154901	MADISONVILLE ISD	1869.47	2
163904	HONDO ISD	1874.13	3
169901	BOWIE ISD	1874.80	1
035901	DIMMITT ISD	1877.20	1
082901	CUERO ISD	1704.00	1
019912	PLEASANT GROVE ISD	1704.80	3
071903	FABENS ISD	1717.12	2
229903	WOODVILLE ISD	1739.91	3
031909	POINT ISABEL ISD	1759.25	1
050902	GATESVILLE ISD	1839.05	5
181921	CONNALLY ISD	1869.77	2
129903	KAUFMAN ISD	1892.59	1
212903	LINDALE ISD	1894.87	4
247901	FLORESVILLE ISD	1944.92	3
032902	PITTSBURG ISD	1975.95	3
015917	SOUTHSIDE ISD	1986.30	4
034901	ATLANTA ISD	1994.20	4
172902	DAINGERFIELD-LONE STAR ISD	2061.80	3
147903	NEXIA ISD	2063.15	3
141901	LAMPASAS ISD	2121.51	3
170904	WILLIS ISD	2141.80	2
230902	GILMER ISD	2144.42	3
070908	MIDLOTHIAN ISD	2177.81	3
118908	QUINLAN ISD	2246.78	2
082903	PEARSALL ISD	2449.80	1
237904	WALLER ISD	2491.75	1
049901	GAINESVILLE ISD	2547.90	3
071907	CANUTILLO ISD	2676.10	3
244903	VERNON CONS ISD	2677.25	3
117901	BORGER ISD	2791.41	4
028902	LOCKHART ISD	2862.70	1
101908	CROSBY ISD	2878.02	2

Source: Texas Education Agency

Appendix B

Districts With ADA Less Than 5,000
Requesting 1 to 5 Rooms

COUNTY DISTRICT NUMBER	NAME	REFINED ADA	NUMBER OF ROOMS REQUESTED
152907	FRENSHIP ISD	2879.05	4
187907	LIVINGSTON ISD	2885.10	4
220912	CROWLEY ISD	3093.80	3
057913	LANCASTER ISD	3205.71	4
241903	EL CAMPO ISD	3251.80	4
133903	KERRVILLE ISD	3351.10	3
092902	KILGORE ISD	3364.75	1
182903	MINERAL WELLS ISD	3390.47	5
084909	SANTA FE ISD	3425.82	3
178903	CALALLEN ISD	3557.00	3
208902	SNYDER ISD	3581.20	1
037904	JACKSONVILLE ISD	3822.35	1
220818	EAGLE MT-SAGINAW ISD	3860.51	2
220815	AZLE ISD	3961.65	3
139909	PARIS ISD	4009.07	5
057906	DE SOTO ISD	4196.03	3
178909	ROBSTOWN ISD	4215.60	5
178814	FLOUR BLUFF ISD	4233.67	5
184903	WEATHERFORD ISD	4243.20	3
220907	KELLER ISD	4291.97	4
246904	GEORGETOWN ISD	4342.92	3
091903	DENISON ISD	4440.57	4
126903	CLEBURNE ISD	4494.75	1
046903	CONAL ISD	4531.68	2
174904	NACOGDOCHES ISD	4888.22	1

Source: Texas Education Agency

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